CORE MONITORING GUIDE

JULY 2018

United States Department of Labor

Employment and Training Administration

TABLE OF CONTENTS

TABLE OF CONTENTS **2**
INTRODUCTION **7**
INTENT OF THIS GUIDE 7
BACKGROUND 7
DEVELOPMENT OF THE 2018 CMG 7
STRUCTURE AND USE 8
CORE ACTIVITIES 9
MONITORING REVIEW **12**
PURPOSE 12
THREE COMPONENTS OF AN ON-SITE REVIEW 12
ROLES OF THE REVIEWER 13
GRANT (WORKING) FILE 13
PRE-MONITORING REVIEW AND PREPARATION **16**
MANAGING GRANT RECIPIENT'S EXPECTATIONS 16
AUTHORITIES AND REQUIREMENTS 16
WORK PLAN (STATEMENT OF WORK) 17
PERFORMANCE REPORTS 19
ON-SITE MONITORING PLAN 21
ON-SITE MONITORING **23**
MANAGING THE GRANT RECIPIENT'S EXPECTATIONS 23
ENTRANCE CONFERENCE 23
ON-SITE COMMUNICATIONS 24
4 CS 24
SYMPTOMS VS. CONDITIONS AND CAUSES 25
THE *FIVE WHYS* TECHNIQUE 26
REASONABLE ASSURANCE 28
COLLECTION OF DOCUMENTS 28
EXIT CONFERENCE 28
POST-VISIT **30**
MANAGING THE GRANT RECIPIENT'S EXPECTATIONS 30
EVIDENCE-BASED MONITORING REPORT 32
MONITORING FILE 33
RESOLUTION PROCESS 34
CONCLUSION 34
CORE ACTIVITIES – GENERAL INSTRUCTIONS **36**
INTRODUCTION TO THE CORE ACTIVITIES 36

CORE ACTIVITY 1 ◆ SERVICE DESIGN & DELIVERY **37**

INTRODUCTION 37

INSTRUCTIONS 37

OBJECTIVE 1.A: PLANNING AND PROGRAM DESIGN 39

(C/E) Indicator 1.a.1: Strategic Planning 39
(C/E) Indicator 1.a.2: Service Design 40
(C/E) Indicator 1.a.3: Coordination and Integration 41

OBJECTIVE 1.B: IMPLEMENTATION 42

(C/E) Indicator 1.b.1: Designating Personnel, Staff, and Hiring 42
(C/E) Indicator 1.b.2: Participant Recruitment Activities 44
(C/E) Indicator 1.b.3: Partnerships 46
(C/E) Indicator 1.b.4: Required One-Stop Partner 47
(C) Indicator 1.b.5: Establishing Contracts and Subawards 50
(C) Indicator 1.b.6: Timely Equipment Purchases 51

OBJECTIVE 1.C: PRODUCTS AND DELIVERABLES 52

(C/E) Indicator 1.c.1: Sustainability Plan 52
(C) Indicator 1.c.2: Product Development 54

OBJECTIVE 1.D: BUSINESS SERVICES AND EMPLOYER ENGAGEMENT 55

(C/E) Indicator 1.d.1: Sector Strategies 55
(C/E) Indicator 1.d.2: Career Pathways Systems and Programs 56
(C/E) Indicator 1.d.3: Business Services 58

OBJECTIVE 1.E: PARTICIPANT SERVICES 59

(C) Indicator 1.e.1: Service Delivery 59
(C) Indicator 1.e.2: Priority of Service 60
(C) Indicator 1.e.3: Eligibility/Enrollment 61
(C/E) Indicator 1.e.4: Assessment 62
(C/E) Indicator 1.e.5: Participant Service Plan 64
(C) Indicator 1.e.6: Supportive Services 66
(C/E) Indicator 1.e.7: Training Services 68
(C/E) Indicator 1.e.8: Placement 70
(C/E) Indicator 1.e.9: Follow-up Services 71

CORE ACTIVITY 2 ◆ GRANT OPERATIONS **72**

INTRODUCTION 72

INSTRUCTIONS 73

OBJECTIVE 2.A: PROJECT MANAGEMENT 75

(C/E) Indicator 2.a.1: Specific Award Conditions 75
(C) Indicator 2.a.2: Prior Approval of Project Modifications 76
(C) Indicator 2.a.3: Closeout Requirements 78

OBJECTIVE 2.B: BUDGET 80

(C) Indicator 2.b.1: Budget Controls 80
(C) Indicator 2.b.2: Budget Modifications 81

OBJECTIVE 2.C: PROPERTY MANAGEMENT 82

(C) Indicator 2.c.1: Insurance Coverage 82
(C) Indicator 2.c.2: Real Property 83
(C) Indicator 2.c.3: Equipment 85
(C) Indicator 2.c.4: Rental or Leasing Costs for Property 87
(C) Indicator 2.c.5: Supplies 89
(C) Indicator 2.c.6: Intangible Property 90

OBJECTIVE 2.D: PROCUREMENT AND CONTRACT ADMINISTRATION 91

(C) Indicator 2.d.1: Procurement Standards 91
(C) Indicator 2.d.2: Competition 93
(C) Indicator 2.d.3: Methods of Procurement 94
(C) Indicator 2.d.4: Cost or Price Analysis 96
(C) Indicator 2.d.5: Contract Administration 98

OBJECTIVE 2.E: PERFORMANCE MANAGEMENT 100

(C) Indicator 2.e.1: Performance Reporting 100
(C) Indicator 2.e.2: Progress Monitoring 101

OBJECTIVE 2.F: SUBRECIPIENT MANAGEMENT & OVERSIGHT 102

(C) Indicator 2.f.1: Subrecipient and Contractor Determination 102
(C) Indicator 2.f.2: Pre-Award Risk Analysis 103
(C) Indicator 2.f.3: Post Subaward Responsibilities 104
(C) Indicator 2.f.4: Subrecipient Monitoring 106

OBJECTIVE 2.G: RECORDS MANAGEMENT 108

(C) Indicator 2.g.1: Record Retention 108
(C) Indicator 2.g.2: Accessibility 109
(C) Indicator 2.g.3: Protected Personally Identifiable Information 110
(C) Indicator 2.g.4: Custody and Transfer 111

OBJECTIVE 2.H: PERSONNEL 112

(C) Indicator 2.h.1: Personnel Policy and Procedures 112
(C) Indicator 2.h.2: Staff Positions 113
(C) Indicator 2.h.3: Salaries 114
(E) Indicator 2.h.4: Organizational Chart 116

OBJECTIVE 2.I: CIVIL RIGHTS, COMPLAINTS, GRIEVANCES & INCIDENT REPORTING 117

(C) Indicator 2.i.1: Policies and Procedures 117
(C/E) Indicator 2.i.2: Notices 119
(C) Indicator 2.i.3: Facilities 120
(C) Indicator 2.i.4: Grievance and Complaint System 121
(C) Indicator 2.i.5: Incident Reporting 122

CORE ACTVITY 3 ◆ FINANCIAL MANAGEMENT 123

INTRODUCTION 123

INSTRUCTIONS 124

OBJECTIVE 3.A: INTERNAL CONTROLS 126

(C) Indicator 3.a.1: Effectiveness and Efficiency of Operations 126
(C) Indicator 3.a.2: Reliability of Reporting for Internal and External Use 129
(C) Indicator 3.a.3: Compliance with Applicable Laws and Regulations 130

(C) Indicator 3.a.4: Safeguard on Assets 131

OBJECTIVE 3.B: ACCOUNTING SYSTEM AND FINANCIAL REPORTING 132

(C) Indicator 3.b.1: Basis of Reporting 132
(C) Indicator 3.b.2: Financial Reporting 133
(C) Indicator 3.b.3: Subrecipient's Financial Reporting 135
(E) Indicator 3.b.4: Performance Reports 136

OBJECTIVE 3.C: PAYMENT AND CASH MANAGEMENT 137

(C) Indicator 3.c.1: Cash Disbursements 137
(C) Indicator 3.c.2: Improper Payments 139
(C) Indicator 3.c.3: Deposit Insurance 140

OBJECTIVE 3.D: MATCH AND LEVERAGED RESOURCES 141

(C) Indicator 3.d.1: Match Policies and Procedures 141
(C) Indicator 3.d.2: Expending Match 142
(C) Indicator 3.d.3: Valuation and Documentation 143
(E) Indicator 3.d.4: Leveraged Resources 145

OBJECTIVE 3.E: PROGRAM INCOME 146

(C) Indicator 3.e.1: Program Income Policies and Procedures 146
(C) Indicator 3.e.2: Expending and Documentation 147

OBJECTIVE 3.F: ALLOWABLE COSTS AND COST CLASSIFICATION 148

(C) Indicator 3.f.1: Cost Principles 148
(C) Indicator 3.f.2: Financial Management Systems 149

OBJECTIVE 3.G: COST ALLOCATION/ INDIRECT COSTS 151

(C) Indicator 3.g.1: Cost Allocation Principles 151
(C) Indicator 3.g.2: Cost Allocation Plan 153
(C) Indicator 3.g.3: Negotiated Indirect Cost Rate Agreements (NICRA) 155
(C) Indicator 3.g.4: De Minimis 157

OBJECTIVE 3.H: AUDITS AND AUDIT RESOLUTION 158

(C) Indicator 3.h.1: Audit Process 158
(C) Indicator 3.h.2: Subrecipient's Audit 160
(C) Indicator 3.h.3: Report on Internal Controls 161

APPENDIX 162

INTRODUCTION 162

RESOURCE A: SELECTED DEFINITIONS AND ACRONYMS 163

RESOURCE B: CROSS REFERENCE OF GRANT MANAGEMENT REQUIREMENTS 175

RESOURCE C: ORDER OF PRECEDENCE 177

RESOURCE D: DOCUMENTATION REQUEST SAMPLES & DATA ANALYSES 178

RESOURCE E: ANALYSIS FOR ON-SITE MONITORING 186

RESOURCE F: USING EFFECTIVE INTERVIEWING TECHNIQUES 187

RESOURCE G: SAMPLING METHODOLOGY 189

RESOURCE H: MONITORING FINDING TEMPLATE 190

Resource I: List of Items Requiring Prior Approval 191
Resource J: Procurement Standards 194
Resource K: Background for Contract Provisions 195
Resource L: Retention of Records Table 196
Resource M: SWCAP and NICRA Resources 198
Tool A: MOU & IFA Worksheet 200
Tool B: WIOA Adult Participant File Review 201
Tool C: WIOA DW Participant File Review 205
Tool D: WIOA Youth Participant File Review 209
Tool E: Budget Comparison Tool 213
Tool F: Procurement / Purchasing Policy checklist 214
Tool G: Procurement History File 216
Tool H: Subaward Review Worksheet 218
Tool I: Contract Review Checklist 219
Tool J: Subrecipient Monitoring Reports Worksheet 221
Tool K: Policies and Procedures Checklist 222
Tool L: Separation of Duties Worksheet 223
Tool M: Worksheet for Evaluating Allowable Match Items 225
Tool N: Transaction Testing 226
Tool O: Cost Allocation Worksheet 227
Tool P: Audit Appeals Process 228
Tool Q: Audit Resolution Tracking Checklist 229
Tool R: Documentation of Personal Services 230
Tool S: Risk AssessmentWorksheet 231
Tool T: Summary of Results / Reviewer Notes 234
Tool U: Compliance Determination Tool 235

INTRODUCTION

INTENT OF THIS GUIDE

The Core Monitoring Guide (CMG) is a tool for the Reviewer to perform an on-site review of a grant recipient's core activities. The purpose of the review is to evaluate the management and administration of the grant, the quality of the program and/or services, and the performance of the grant to determine if the program is operating in compliance with the grant agreement and in a manner that ensures achievement of its goals and outcomes. The CMG provides a consistent framework that allows the Reviewer to assess the compliance of the grant recipient in meeting the requirements outlined in its grant agreement, Federal regulations, and the Uniform Guidance. While general use of the CMG is expected, not all Core Activities, objectives, or indicators may be applicable to the grant under review or time may not allow for full usage of the CMG. The Reviewer may use his/her judgment over the use of the CMG. On-site monitoring is one of many oversight tools employed by the Employment and Training Administration (ETA) that also helps in assessing a grant recipient's technical assistance needs to achieve success in its program goals and deliverables. ETA monitors its grant recipients to measure progress, ensure compliance, assess that Federal funds are used responsibly, and develop technical assistance plans.

BACKGROUND

According to the Office of Management and Budget (OMB), Federal agencies are responsible for oversight and collecting financial and programmatic performance reports from the grant recipients that manage their grants and carry out their programs. Since ETA must report to OMB, the submission of these reports serves as a compliance mechanism to keep ETA accountable to OMB. Agencies use these reports and conduct monitoring of grant recipients to ensure effective stewardship of Federal funds. Oversight is performed in many ways, including on-site monitoring, risk assessments, desk reviews, and analysis of performance and financial reports.

A grant recipient that is a pass-through entity, in turn, is required to conduct its own oversight and monitoring of Federally-funded programs when it issues monies to subrecipients to ensure compliance with the requirements applicable to its grant. A grant recipient that provides a subaward to an entity (subrecipient) to carry out a part of the Federal program/grant is defined as a pass-through entity (PTE).

ETA relies on the professional judgement and experience of its staff, including Federal Project Officers (FPOs) and fiscal staff, to carry out its oversight functions successfully. The CMG does not relieve the Reviewer of his/her obligation to fully and faithfully represent the government's interest. Instead, the CMG serves as a reference tool and taxonomy of potential compliance issues. In addition to FPO training and the CMG, internal guidance for grant management is found in Employment and Training Orders (ETOs) that are available on ETA's intranet at https://etadesktop.doleta.gov/eto/eto.cfm (Note: this link is only available to ETA staff).

DEVELOPMENT OF THE 2018 CMG

The development of the 2018 CMG is made possible through the collective efforts and experiences of Federal staff in the Regional and National Offices. The 2018 CMG is issued by the Office of Grants Management (OGM). It is the most current authorization of grant guidance to meet the diverse needs of the Reviewer with different levels of experience.

The first CMG was developed in 2005 based on the premise that there are five core functions that must be in place for any grant recipient to operate an ETA grant using practices established by law and regulations. Since 2005, the portfolio of grants and initiatives that ETA administers has vastly changed and the CMG needed to be updated to reflect changes in Federal statute, regulations, and program policies.

The 2018 CMG revises the monitoring review process and addresses new programmatic, administrative, and financial requirements applicable to all ETA grant recipients. In particular, the 2018 CMG recategorizes the five Core Activities of the 2005 CMG into three areas for monitoring.

2005 CORE MONITORING GUIDE

Core Activities

- Design and Governance
- Program and Grants Management Systems
- Financial Management Systems
- Service/Product Delivery
- Performance Accountability

2018 CORE MONITORING GUIDE

Instructions

- Introduction to Monitoring Reviews
- Pre-Monitoring Review and Preparation
- On-Site Monitoring Review
- Post-Visit Activities

Core Activities

- Service Design and Delivery
- Grant Operations
- Financial Management

Appendix

- Resources and Tools

The CMG is intended to be used broadly by any Reviewer conducting an on-site visit of any program currently administered by ETA. Where appropriate, the CMG calls attention to certain features that are unique to a particular program; however, guidance specific to different ETA grant programs may be addressed in TEGLs or other supplements to the CMG. Any additional supplements to the CMG will be made available on ETA's intranet website at https://www.internal.doleta.gov/omas/ogm/pages/core-monitoring-guide/.

STRUCTURE AND USE

This guide offers:

- ✓ **Instructions for On-Site Monitoring Visits:** Guidance for conducting pre-monitoring reviews, on-site reviews, and post-visit activities, including the issuance of a monitoring report;
- ✓ **Core Activities**: Outlines the review of the three core functions: Core Activity 1 – Service Design and Delivery, Core Activity 2 – Grant Operations, and Core Activity 3 – Financial Management, and includes indicators to assess grant requirement expectations; and
- ✓ **Appendix:** Tools and resources that help the Reviewer conduct an on-site review.

Instructions

This section of the guide starts with the **Introduction to Monitoring Reviews** to provide the Reviewer information on the importance of monitoring reviews, the purpose of oversight, and how the Reviewer can prepare for an on-site monitoring visit. The instructions included in the CMG provide in-depth information to Reviewers with varying levels of experience. Both new and experienced Reviewers may find the information valuable, as the CMG provides several tools for analysis. The instructions include sections on Pre-Visit, On-Site-Visit, and Post-Visit.

- **Pre-Monitoring Review and Preparation** helps the Reviewer determine the objectives that he/she will focus on during the on-site review. It is useful for the Reviewer to pre-assess performance, develop a review scope, and identify Points of Contact (POCs) before going on-site.
- **On-Site Monitoring** focuses on the on-site portion of the review.
- **Post-Visit Activities** provides the Reviewer with guidance on follow-up with grant recipients, preparation of the monitoring report, and resolution of monitoring findings.

CORE ACTIVITIES

This section of the guide includes Core Activity 1 - Service Design and Delivery, Core Activity 2 - Grant Operations, and Core Activity 3 - Financial Management, accompanied by their respective indicators. Each section begins with an introduction that explains the purpose and provides a list of the indicators related to the Core Activity.

- **Core Activity 1. Service Design and Delivery** addresses how the grant recipient designed and delivered the services to support its strategy for developing a demand-driven workforce system including an assessment of the work plan (statement of work or SOW).
- **Core Activity 2. Grant Operations** addresses how the grant recipient operates or conducts the activities that are necessary for the project but are not related to the direct provision of services. In addition, this activity ensures compliance with the applicable statutory, regulatory, and Uniform Guidance requirements common to all ETA grants.
- **Core Activity 3. Financial Management** addresses how the grant recipient manages the financial systems of the grant. These are part of the overall organizational administrative systems that support grant functions or activities necessary for the operation of a project but are not related to the direct provision of services.

Objectives and Indicators

Each Core Activity is organized around specific subject areas called objectives. These objectives address a specific requirement or topic contained in statutes, regulations, Funding Opportunity Announcement (FOA), Grant Terms and Conditions, and the Uniform Guidance. Indicators accompany each objective. The indicators and the corresponding questions are the criteria that are used to determine that the objective or requirement is being met.

The indicators are labeled (C) for compliance that must be met or (E) for effectiveness that may result in an area of concern or a finding at a later time if not addressed. If a compliance indicator is not met, it results in a finding.

A finding is a violation (condition) of a specific compliance requirement contained in law, regulations, national policies, FOA, Uniform Guidance or OMB Circulars, the grant terms and conditions, ETA policy guidance, including Training and Employment Guidance Letters (TEGLs), and/or the grant agreement that requires specific corrective action. Each finding should contain a topic sentence that describes the condition (the compliance violation), the cause of the violation, the citation supporting the condition as a compliance issue, and the requirements for appropriate corrective action by the grant recipient, including timeframes for completion. This is known as the 4 Cs: Condition, Cause, Criteria, and Corrective Action, which is discussed in detail later in the section.

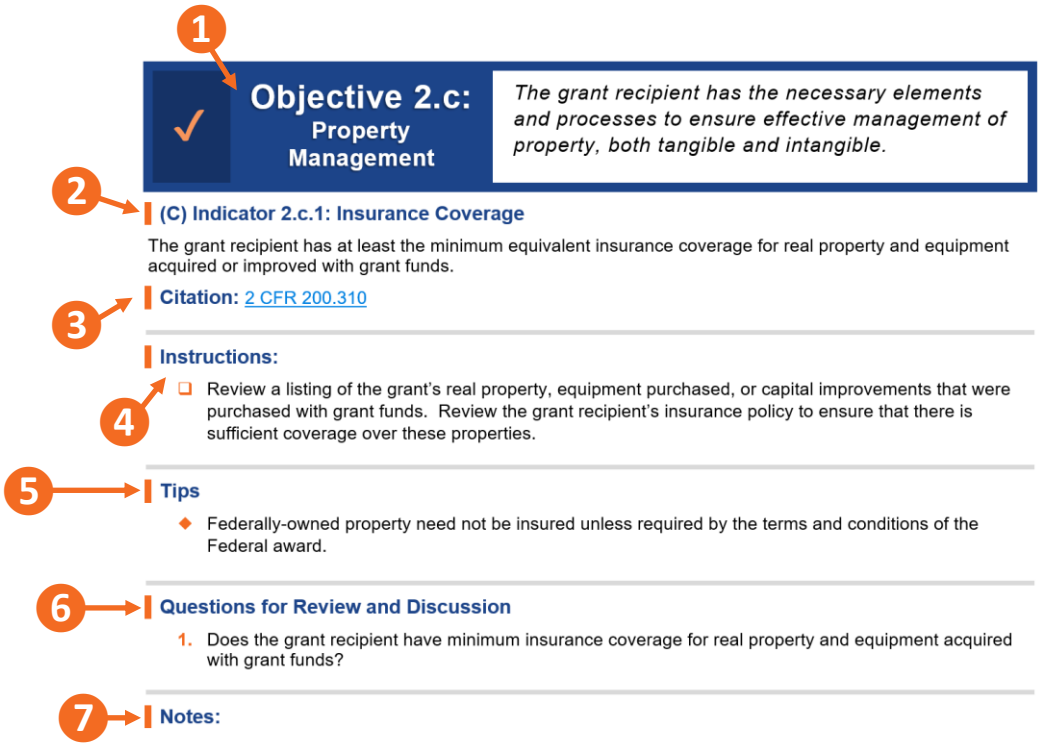
Areas of concern or observations: If an effectiveness indicator is not met and the Reviewer believes that it may possibly result in a finding at some later point if not addressed, an area of concern or observation is identified. Areas of concern or observations are not specific compliance violations but may have negatively impacted the program or could lead to a finding in the future. Traditionally, no corrective action is specified or required for areas of concern or observations but may instead include suggestions for improvement.

States Formula Grant Recipients – Throughout the CMG, there are instructions that are specific to States that receive formula-funded grants. The treatment or handling of a particular subject is different for States than for competitive grant recipients.

Competitive or Discretionary Grant Recipients – In other instructions, there are sections that are specific to competitively awarded grant recipients, sometimes referred to as discretionary grant recipients. The treatment of that particular subject is different for these entities than for States.

The following page illustrates how the Core Activity worksheets are structured.

Core Activity Structure



1. Each Core Activity is organized around generic requirements that were derived from legislation, 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, or those 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 it is a (C) or (E) indicator or both.
3. Each (C) Indicator includes a citation for reference. For Core Activity 1 only, the Reviewer must identify the applicable citation.
4. Each Indicator includes instructions that you might use to begin your assessment of whether the indicator is present. You may expand upon their use or employ other means of assessing the grant recipient's performance.
5. Some Indicators include tips to help your review.
6. Each Indicator includes Questions for Review and Discussion that will help in assessing the compliance or effectiveness of the subject area.
7. Record your notes and specific findings at the Indicator level, so that if a question arises later, you have a means for recreating the basis for your determination. There is also a tool (Tool T: Summary of Results / Reviewer Notes) in the Appendix that can be used to record notes while on site.

Appendix

The Appendix to the CMG contains the tools and resources for the Reviewer to perform an in-depth assessment of the indicators found in the CMG. In addition, it includes a list of definitions found in the guide. The Appendix is for general use on a variety of grant programs. The Reviewer may tailor the resources and tools for his/her needs.

Using the Guide

The CMG is designed to be used for the pre-visit, on-site visit and post-visit.

✓ **Prior to going on-site, use the guide to plan and make preparations for the visit**

This initial review helps the Reviewer determine which Core Activities (1, 2 or 3) and indicators should be reviewed, the locations to visit, and brainstorm areas that will need deeper analysis while on site. Pre-Monitoring Review prepares the Reviewer to dig deeper while on site to determine causes and appropriate corrective actions.

✓ **While on-site, use the guide as a probing tool to acquire the context**

Context to performance deficiencies is provided through multiple on-site conversations, observations, and document review. 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.

Based on the Reviewer's examination of the indicator(s), use the guide to determine if the grant recipient achieved the Core activity's objectives.

✓ **During the post-visit, use the guide to translate the data into a monitoring report.**

The monitoring report communicates the results of the review, including findings and areas of concern. The report also provides the grant recipient corrective actions that address the causes of the findings. Additional guidance for Federal reviewers on how to manage a grant may be found in the Employment and Training Orders (ETOs) available on ETA's internal webpage.

MONITORING REVIEW

PURPOSE

The monitoring review is an oversight activity that may lead to opportunities for technical assistance and corrective action. For ETA'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.

- Measure progress
  - The Reviewer makes judgments based on the information collected during pre-monitoring and while on site and assess the grant recipient's progress in meeting performance goals/measures, participant outcomes while ensuring fiscal integrity and transparency. Thus, the Reviewer can see how much progress the grant recipient has made toward achieving its goals.
- Identify areas of compliance
  - The Reviewer assesses the grant recipient's compliance with applicable laws, regulations and other requirements by using the indicators from the Core Activities during the on-site monitoring visit.
  - Steps to ensure timely and adequate corrective action are also tracked.
- Provide technical assistance
  - The Reviewer identifies technical assistance and training needs and promptly addresses them. Technical assistance can occur at any time during the grant life cycle and can take many forms.

Whether the grant recipient is new to ETA-funded programs or is a long-time recipient of ETA grant funds, the Reviewer needs to take several steps to prepare and plan for on-site reviews. There are instances where grant recipients fail to realize that their common practices are not always in compliance with laws and regulations. These are blind spots that can become visible with effective monitoring.

Being proactive with monitoring goes beyond only looking at compliance issues; it extends to identifying ways to improve the service design and delivery as well as to the effectiveness and efficiency of the operations conducted by the grant recipient.

THREE COMPONENTS OF AN ON-SITE REVIEW

On-site monitoring reviews typically include the following three components:

ROLES OF THE REVIEWER

A good Reviewer wears several hats. In addition to monitoring for compliance, Reviewers are relationship builders, subject matter experts (SME), and drivers of continuous improvement. The Reviewer builds a relationship with the grant recipient by maintaining open communication, managing expectations, and acting in a professional, respectful, and responsive manner.

To accomplish this, the Reviewer should:

- Follow protocol consistently;
- Be punctual, prepared, and courteous;
- Acknowledge the complex challenges faced by staff in implementing programs and managing funding;
- Encourage improvements and/or the replication of best practices that lead to efficiencies;
- Acknowledge that management and staff have expertise, knowledge, skills, and competencies;
- Meet deadlines and return e-mails/phone calls in a timely manner; and
- Connect the grant recipient with other peers that are successful in areas in which the grant recipient is struggling.

Reviewers are expected to be subject matter experts. Therefore, they should:

- Be well-versed in Federal, State, and local requirements and policies relating to the grant or initiative;
- Have thorough knowledge of State and/or local plans or the grant recipient's SOW;
- Be knowledgeable of practices regarding governance, service design and delivery, project management, performance management, and workforce development programs;
- Be educated about the grant recipient by reviewing the grant file to gain familiarity with the status of the project; and
- Know where to research or who to reach out to if unsure about a question posed by the grant recipient.

To begin the on-site visit, the Reviewer must come prepared with the information collected and examined from the pre-monitoring review and preparation (See Pre-Monitoring Review and Preparation section).

GRANT (WORKING) FILE

A grant file or working file consists of several types of information that, taken together, contain all of the necessary documentation a Reviewer needs to monitor and manage a grant effectively. The information contained in the working file supports assessments of whether or not the grant recipient is fulfilling the specified requirements outlined in the FOA and grant. Working files typically contain both hard copy and electronic files. All significant grant documents should be uploaded into the Case File module in the Grants Management System (GMS).

A grant (working) file:

- Provides documentation that is critical in making important decisions about the grant;

- Provides information to the Reviewer on how to advise the grant recipient when seeking technical assistance;
- Furnishes a chronological, up-to-date record of grant activities;
- Allows for a smooth transition if/when there is a change in staff.

In addition to the grant file and associated e-mail records, below is a listing of some online systems that the Reviewer may use to collect information about the grant recipient.

- **E-Grants** – contains the Grant Award, any modifications, attachments or supporting documentation to the Procurement Actions Requests (PARs), and all the quarterly ETA-9130 Financial Reports.
- **Electronic Grant System (EGS)** – tracks PARs, manages solicitation announcement and panel process, and manages the award and closeout process. Access to the system is limited to Grant Officers.
- **Enterprise Business Support System (EBSS)** –allows users to develop management reports on program and financial data, as a subset of E-grants.
- **Grants Management Systems (GMS)** – serves as a repository for initial and/or completed quarterly desk reviews, including information on official site visit(s) or desk record review(s), property, technical assistance, and any other documentation created during the period of performance.

A typical grant (working) file and the subsidiary e-systems collectively may contain the following sections and contents:

File Sections	Contents and Locations
Financial and Administrative Systems and Policies	Contact information for grant recipient including fiscal and program points of contacts (POCs) – Electronic Grant System (EGS) or Grants Management System (GMS) Grant recipient organizational chart – EGS or GMS
Grant and Modifications	Grant award agreement – E-Grants and EGS Summary of negotiations – EGS SOW – E-Grants and EGS Modifications – E-Grants Subgrants – EGS Budget/financial statements – EGS and E-Grants Initial and periodic risk assessments – GMS
Monitoring Activities	Financial reports – E-Grants and Enterprise Business Support System (EBSS) Cost trend analysis charts – GMS and EBSS Narrative progress reports – EBSS or GMS Quarterly performance reviews – GMS TA visit reports – GMS Monitoring reports – GMS Corrective action plan recommendations, approved options, and follow-up reviews – GMS Meeting notes – GMS Provisions or recommendations for recipient management assistance – GMS
Correspondence	Correspondence between ETA and the grant recipient – GMS and e-mail Internal administrative (government) correspondence about the grant – GMS Miscellaneous correspondence such as notes from telephone conversations/e-mails – GMS Closeout – E-Grants and EGS
Miscellaneous	Insurance coverage – GMS Property – GMS Audit reports –GMS Other supporting documentation not associated with other sections of GMS that may assist in the management of the grant.

PRE-MONITORING REVIEW AND PREPARATION

MANAGING GRANT RECIPIENT'S EXPECTATIONS

During the Pre-Monitoring Review and Preparation stage, managing the grant recipient's expectations is accomplished through ongoing communication. Communication lays the groundwork for establishing positive relationships that ensure productive monitoring functions.

Prior to the on-site review, discuss expectations with grant recipient staff by phone and/or e-mail, and again through a formal written notice. Information provided through these discussions includes the /objectives of the on-site review, review dates, times, Reviewer names, what will be covered during the review, the tools to be used to conduct the review, the documentation to be reviewed during the review, and an agenda including topics that will be covered and staff who need to be available for interviews.

AUTHORITIES AND REQUIREMENTS

Before conducting an on-site monitoring review, the Reviewer needs to ensure that he/she is familiar with the applicable law, regulations and departmental guidance. These include:

- The authorizing legislation and program regulations that govern the recipient's program, as well as requirements such as match and cost category requirements and limitations.
- The grant agreement, which also includes the **FOA**, **SOW**, and compliance requirements in the Grant Terms and Conditions. The State Plan and or Project Implementation Plan (PIP) may be referenced in the grant award.
- Office of Management and Budget (OMB) CFR Chapter II, Part 200, et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards: Final Rule. December 26, 2013 (**Uniform Guidance**)
- Department of Labor (DOL) CFR Chapter II, Part 2900 et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. December 19, 2014 (**DOL Exceptions**). DOL's adoption of the Office of Management and Budget (OMB) Guidance of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 2900 includes OMB's approval for 22 exceptions. DOL demonstrated that these exceptions are consistent with existing policy or a longstanding practice.
- Please see Resource C: Order of Precedence for an Order of Precedence tool that, in the event of any inconsistency between the terms and conditions of the grant agreement, State Plan, or other requirements, an order of precedence will be applied.

TIP: | **SOW, State Plan, and Project Implementation Plan**

The SOW, the State Plan, and the PIP are identical documents whose purpose is to outline the program goals and outcomes expected to be performed. Competitive or discretionary grant recipients use the SOW while formula grant recipients use the State Plan or PIP. For the purpose of this guide, the general terminology that will be used is the project's work plan or SOW.

WORK PLAN (STATEMENT OF WORK)

Become familiar with how work on a particular project is performed. The work plan is any technical document such as a SOW, State Plan, work plan, or project Implementation Plan (PIP) that explains how work on a particular project is to be performed; it dictates how the grant is to be operated by the grant recipient. For competitive grant recipients, this information is in the grant agreement's SOW. For States, it is the State Plan.

Components of Work Plan for Review

The key components of the work plan may include the following:

- Service Design and Delivery
- Detailed Budget
- Staffing Plan
- Contracts and Subawards
- Partner Programs and Organizations
- Description of Monitoring Responsibilities, if applicable

Work Plan Review Process

1. Service Design and Delivery

The Reviewer examines the service design and delivery to obtain a firm grasp on the expected design of the service and how it is proposed to be delivered, prior to performing on-site work.

- Determine how the grant recipient will provide program services to participants, employers, or cohorts (defined as a group of individuals having a statistical factor, such as age or class membership, in common).
- When on site, assess whether 1) the grant recipient follows the design described in the work plan, 2) the design is successful in meeting both client needs and program goals, 3) the design needs to be changed to better align with goal attainment, and 4) the grant recipient can deliver based on the approved timeline.

2. Detailed Budget

The Reviewer examines the line item budget to understand how the grant recipient plans to spend money to accomplish its goals.

- ❑ Check the E-Grants system to verify that the grant recipient has not submitted any subsequent modifications to change its budget.
- ❑ Review the budget line items and budget narrative to understand how the grant recipient plans to spend money to accomplish its goals.
- ❑ When on site, assess whether 1) a comparison of budget to actual expenditures is occurring on a regular basis, 2) spending is in accordance with the budget narrative, and 3) a modification request is required to bring the budget in line with actual expenditures.

3. Staffing Plan

The Reviewer examines the staffing plan to become knowledgeable on the grant staff members' roles and work on the grant.

- ❑ Understand the key roles in administration of the grant by reviewing the staffing plan or organizational chart.
- ❑ Identify each staff member that allocates only a portion of his/her time to the grant.

- When on site, compare the time outlined in the budget with the actual time charges/allocation during the on-site review to ensure that staff persons are in fact, working on grant activities during the allocated time period. This assessment should be performed for full-time and part-time employees. The qualifications of each grant staff member to ensure that their skills and knowledge align with the assigned roles and responsibilities.

TIP: | Grant Recipients

Unlike competitive grant recipients, grants awarded to States under a formula methodology are not required to identify a detailed budget or a detailed staffing plan. States have the flexibility to shift staff and dollar resources among cost categories. Staffing costs for both competitive grant recipients and States are expected to be reasonable, necessary, allowable, and allocable to the grant/program.

4. Contracts and Subawards

The Reviewer examines contracts and subawards in order to understand the relationship that the grant recipient has with third parties.

- Review copies of contracts and agreements to determine the type of relationship the primary grant recipient has with third-party recipients.
- Identify services that are subcontracted to another entity or any goods that are procured through contract.
- Make a preliminary assessment of whether the grant recipient has aligned with the right subrecipients to meet the overall objective of the grant.
- When on site, assess whether a competitive procurement was required for the grant recipient's subrecipients and whether Federal requirements were passed down to the subrecipient.

TIP: | Contract vs. Subaward

Determining the difference between a contract and subaward is crucial when assessing if the procurement standards including competitive procurement apply. The procurement standards found at 2 CFR 200.317 to 200.326 must be followed when securing services and goods/products from contractors. Please refer to 2 CFR 200.330 Subrecipient and Contractor Determinations in the Uniform Guidance for additional information.

5. Partner Programs and Organizations

The Reviewer examines the partner programs and organizations to understand the relationship with these entities.

- For competitive awards, determine whether partnership(s) with certain entities/organizations were required as part of the approved grant agreement. If so, review the requirements of the partnership(s).
- When on site, assess whether 1) required partnerships were established, 2) the partnerships were established timely so that work could begin on schedule, and 3) the grant's partners will assist the grant recipient in achieving the grant's objectives and performance outcomes.

- The reviewer should assess whether these partners are considered contractors or subrecipients.

6. **Subrecipient Monitoring** *(if applicable)*

Grant recipients are part of their subrecipient management responsibilities are expected to provide oversight of its subrecipients. Additionally, States are required to monitor its local areas and subrecipients as required in WIOA (Workforce Innovation and Opportunity Act) final regulations.

The Reviewer examines subrecipient monitoring process and reports (if applicable) in order to ensure that the grant recipient is meeting requirements.

- Learn the grant recipient's monitoring and oversight schedule. In the case where the grant recipient does not have subawards, there will be no monitoring schedule in its work plan.
- Review available monitoring reports from the program year in review.

TIP: | Reports and Documents

The reports and documents reviewed during this process are to be further analyzed and compared to actual activities while on-site.

PERFORMANCE REPORTS

Every grant awarded by the Department requires quarterly and/or annual reporting. The following is a list of reports that a Reviewer should review based on the type of grant prior to on-site work:

Competitive Grants

- ETA-9130 Financial Report
- Quarterly Performance Report (QPR)
- Any additional report specified in the grant agreement

Formula Grants

- ETA-9130 Financial Report
- 9169 Statewide Performance Report
- 9171 Eligible Training Provider Definitions
- 9173 Program Performance Report
- Quarterly Performance Reports (QPRs) in the e-NDWG system
- Any additional reporting mechanism defined in the grant agreement

Key Components for Review

There are several components of the Performance Report Review that a Reviewer should consider including:

- Period of Performance
- Performance Goals Attainment
- Expenditure Rate and Financial Analysis
- Narrative Report
- Past Audits, Monitoring Reports, Historical Data and/or Grievances

Performance Review Process

The list below suggests the approaches for reviewing these components. The list is not exhaustive.

1. **Period of Performance**

The Reviewer examines the period of performance to understand the progress of the grant.

- ❑ Assess at which point in the grant cycle on-site monitoring will be conducted. If a risk assessment was completed that deemed this grant recipient at risk or high risk, it would suggest that monitoring be conducted sooner than later. In general, avoid reviewing a grant toward the end of a grant's period of performance because grant recipients may not be able to correct identified issues before the expiration of the grant.

2. **Performance Goals Attainment**

The Reviewer examines the period of performance to understand the progress of the grant.

- ❑ Be aware of the performance goals agreed upon at grant award or during performance negotiations.
- ❑ Assess the grant recipient's progress toward meeting those goals, including interim performance benchmarks if available.
- ❑ Make a preliminary determination whether the grant recipient is significantly off track to meet its performance goals and if technical assistance can help.
- ❑ When on site, ensure that the successful outcomes, for grant recipients that have been meeting or surpassing all performance goals, are a result of sound service delivery and accurate reporting practices.

3. **Expenditure Rate and Financial Analysis**

The Reviewer examines the expenditure rate to visualize how the grant recipient utilizes Federal funds and to ensure that such funds are spent appropriately and effectively.

- ❑ Compare obligation and expenditure rates against the grant's performance outcomes and timeline.
- ❑ Compare grant award with cash drawdowns against the time elapsed and expenditures incurred.
- ❑ Determine if funds are being fully utilized or will be exceeded if expenditures continue at the current pace.

4. **Narrative Report**

The Reviewer examines the narrative portion of the quarterly and/or annual reports to understand the types of activities that have taken place during that period.

- ❑ Review a selection of the narratives included in quarterly and/or annual reports to understand the types of activities that the recipient is doing.
- ❑ Identify new activities.
- ❑ Identify any areas of concern disclosed by the recipient.
- ❑ Make a preliminary assessment whether or not the narrative report supports the balances that are reported on the corresponding performance reports and ETA-9130 Financial Report.

5. **Past Audits, Monitoring Reports, Historical Data and or Grievances**

The Reviewer examines past audits, monitoring, historical data contained in GMS or EGrants and/or grievances and understands the risks that can affect grant performance.

- ❑ Identify any open findings from previous audits or monitoring.
- ❑ Identify any material weaknesses in audits.
- ❑ Identify open Incident Reports or complaints by or against the recipient.
- ❑ Determine if there are any significant or reoccurring deficiencies that may potentially affect the grant recipient's current grant.

TIP: | Reports and Documents

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

ON-SITE MONITORING PLAN

Prior to going on site, the Reviewer should develop a monitoring plan. While monitoring plans for on-site reviews vary by grant and grant type, listed below are general practices that apply to all grants.

1. **Determine Core Activities and Indicators**

   Select the Core Activities and Indicators that should be reviewed during the on-site review. This is facilitated by information obtained during the pre-monitoring document review, including a review of the project work plan, the performance reports, and key grant components.

2. **Choose a Period to Review**

   Choose a full program year or a timeframe deemed appropriate by management as the focus of the review.

   - For a two-year grant, the Reviewer may want to choose the first program year period of performance or the period through the time of the site visit.
   - For grants with a three, four, or five-year life, choose one or more full program year's period of performance to review.
   - For formula grants, the Reviewer may want to consider choosing the last program year or a period identified through a risk assessment.

3. **Choose a Location**

   Visit locations that house staff and records associated with the Core Activity areas selected for review. Typically, a visit to the recipient's headquarters, fiscal, and administrative offices are included in an on-site review. Additionally, the Reviewer may visit subrecipients and service providers. If the grant recipient has activity in many geographic areas, the Reviewer should determine which areas pose the most risk and/or which serve the greatest number of participants. This determination may be facilitated by the pre-monitoring review. In the case of formula grants, when deciding which local workforce development area (LWDA) to review, the Reviewer should consider the number of years since that LWDA was last reviewed. Please confirm with the grant recipient which office houses the participant and financial files.

4. **Negotiate Calendar Dates with the Grant Recipient**

   Work with the grant recipient to establish review dates. While the review dates may be flexible, on-site monitoring is a condition of the award and is non-negotiable. Once dates have been confirmed, the Reviewer can start drafting the scheduling letter.

5. **Create a Scheduling Letter with Agenda(s) and Documentation Request**

   The scheduling letter serves as formal notification to the grant recipient. In most cases, grant recipients are notified of the monitoring event in advance (30 to 60 days) to allow grant recipients ample time to gather and provide requested documentation. In lieu of a formal notification, and in accordance with office policy, the Reviewer may elect to use e-mail to confirm the review, dates, and requirements with the recipient which should include a signed notification letter from the Reviewer's supervisor or Regional Administrator.

   The Reviewer may request documents be transmitted to the Regional Office in advance of the review. These documents are maintained by the grant recipient and not available to the Reviewer as part of the pre-monitoring review described above. Please refer to Resource D: Documentation Request Samples.

   The scheduling letter clearly establishes the period to be reviewed and may include a documentation request. If an agenda is provided to the recipient, it should include, but is not limited to, the Core Activities and Indicators that will be reviewed as well as planned staff interviews.

6. **Review Additional Documentation**

   Review the additional documentation requested in the scheduling letter as soon as it is received. As stated above, the grant recipient maintains this documentation and it is not available in any ETA system. Therefore, it was not available during the pre-monitoring review or considered when developing the on-site monitoring agenda. This documentation may include grant recipient policies and procedures, detailed accounting records, equipment and supplies inventories, etc. Significant issues identified during the review of this documentation may result in changes to the final on-site monitoring agenda. Therefore, it is critical to send scheduling letters and documentation requests to grant recipients as soon as feasible.

TIP: | On-Site Review Frequency

The frequency for conducting on-site reviews varies because it is dependent on available travel funds (budget), staff, time, and risk status of the project. The length of an on-site monitoring review also depends on a variety of factors such as the number of staff persons expected to participate as well as the amount of travel funds available in the region's or program office's budget.

ON-SITE MONITORING

MANAGING THE GRANT RECIPIENT'S EXPECTATIONS

Managing expectations through communication starts prior to the review and continues through to the post-visit. The more the Reviewer communicates, the more the grant recipient understands and knows what to expect, and the less apprehensive they are about the on-site visit. It is not possible to gather all of the information from reports only or even during an on-site review and it is also not possible to identify every finding and area of concern. It is expected that the on-site review be conducted in an open and transparent manner that will allow for the reciprocal sharing of information and concerns.

The information reviewed during the pre-monitoring review, including the project's work plan, performance reports, and key grant components tells an important story that is only further explained by communicating with the grant recipient. An on-site review presents an opportunity for the Reviewer to engage with the grant recipient and obtain context to support the data and information collected. It provides a deeper understanding of the state of the project, milestones, and challenges. Reviewers may also have the opportunity to review additional documents, which are listed in Resource D: Documentation Request Samples.

ENTRANCE CONFERENCE

The on-site review typically begins with the entrance conference. The entrance conference is an opportunity to manage the grant recipient's expectations by explaining the review process.

During the entrance conference, the Reviewer should:

- Introduce the members of the review team,
- Reiterate the purpose of the review,
- Share the review agenda,
- Confirm logistics,
- Initiate discussions on any perceived critical issues that were identified during the pre-monitoring document review, and
- Describe the monitoring process and timelines for the report and grant recipient response.

The entrance conference also provides an opportunity to let the grant recipient know that the Reviewer will assist in its technical assistance needs. While compliance is important, the Reviewer should also look for context that assists him/her in connecting the dots on the data already reviewed and provide technical assistance where there are gaps.

Using Entrance and Exit Conferences as Group Discussions

Reviewers may use the entrance and exit conferences as an opportunity for group interviews. Use entrance and exit conferences to gather information, promote conversations, and discover new issues that may not be apparent in traditional one-on-one interviews. Generally, it is advantageous for the Reviewer to facilitate the discussion in the group and focus on open-ended questions. Refer to "Types of Questions" in Resource F: Using Effective Interviewing Techniques for examples of open-ended questions.

ON-SITE COMMUNICATIONS

At the end of each day during the review, the Reviewer can meet with the appropriate grant recipient staff to update them on the status of the review's efforts and inform them of any potential issues that have been identified. Please see Tool U: Compliance Determination Tool. This provides grant recipients with an opportunity to clarify and/or provide additional information regarding any identified issues or concerns. It also provides a good opportunity to discuss and jointly determine the causes of the issues and what corrective actions might be taken to resolve the issues and improve performance. These conversations ensure transparency, build trust, and prevent any surprises during the exit conference.

TECHNICAL ASSISTANCE

Providing technical assistance is generally also a part of the Reviewer role during an on-site monitoring visit. The Reviewer may be called to interpret the laws, rules, and regulations pertaining to the grant under review. The Reviewer may also uncover trends or practices while on site reviewing documents and/or interviewing that may trigger an immediate opportunity to provide technical assistance. In addition, the grant recipient may ask for help or guidance to improve its service design and delivery, grant operations, or administrative or financial management systems.

Unless the Reviewer is positive of the answer, he/she should consult with Regional Office managers, Program Office staff, and, if necessary, the Grant Officer before providing a definitive response. Technical assistance may be documented in GMS.

FOUR Cs

While the monitoring report and the findings contained within it are generally written post-visit, the Reviewer must collect and process information on site in a manner that facilitates writing clear and concise findings with corrective actions that fix the cause of the identified condition and prevent it from happening again. This is accomplished using a format for developing written findings known as the 4 Cs: Condition, Cause, Criteria, and Corrective Action.

- **CONDITION** is a clear, concise, and specific statement describing the violation of law, regulation, agency or national policy, etc. This statement serves as the topic sentence of a finding in a written monitoring report. The condition is identified through observations or interviews, analysis, and verification.
  - *Example – Describe problem:*
    No physical inventory was taken of equipment purchased with WIOA funds for the period from July 1, 2015 through September 30, 2018.
- **CAUSE** is a statement that explains why the condition occurred (or is occurring). For the purposes of the CMG, a cause is a person, thing, or event that produces an undesirable condition. Sometimes the cause is not easy to identify, especially if the grant recipient is unaware of or wishes to conceal problems. Reviewers must assess whether the evidence they gathered through interviews and reports 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.
- **CRITERIA** are the standards or legal requirements that are being violated. Criteria identify or prescribe the required or desired state with respect to the condition. Examples of criteria are laws, regulations, contracts, grant agreements, performance standards, business practices, benchmarks, and policy and procedures.

With criteria, always cite the highest authority available first, then add lower-level authority if it adds clarity. For additional guidance regarding grant requirements, please see Resource C: Order of Precedence.

- *Example – Specify regulation/policy:*
  2 CFR 200.313(d)(2) requires that at a minimum, a physical inventory must be conducted every two years.

- **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 "shall" or "must," and describe the specific 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 fix it.

  - *Example – Discuss the action necessary to remedy a situation:*
    The Regional Office recommends that the grant recipient develop and institute a new policy requiring at a minimum a biannual physical inventory of all grant funded equipment. The agency must also conduct a physical count in the next six months and provide the results to the Regional Office.

Condition	Cause	Criteria	Corrective Actions
What is the specific problem or violation?	What is causing the condition?	What standard or requirement is being used to evaluate the condition?	What action is required to eliminate the cause and thus correct the condition?

The results of the 4 Cs are documented in a finding template. Please see Resource H: Monitoring Finding Template.

SYMPTOMS VS. CONDITIONS AND CAUSES

A common Reviewer error in developing a finding is to misidentify a symptom as a condition. Symptoms are easily identified through pre-monitoring review or preliminary conversations held during on-site monitoring. They are surface-level problems. 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.

By 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, he/she should ensure that it is not just a symptom of a yet to be identified condition. For example, it is premature to label as a condition the fact that a grant recipient is not meeting the required benchmark for its enrollment goal. 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 recipient's service design and delivery implementation efforts.

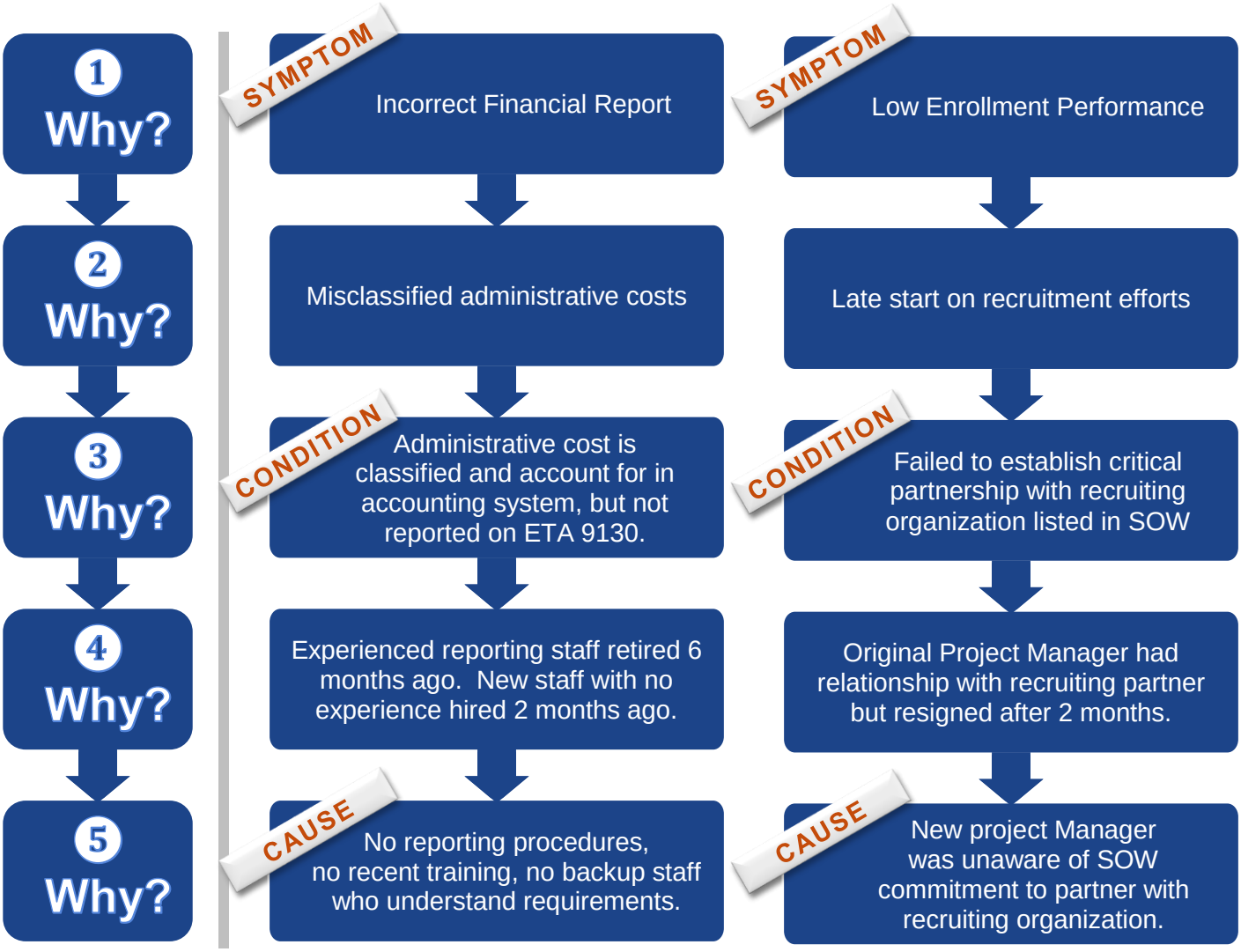
Signs of a Symptom	Signs of a Condition and Cause
◆ Everybody knows "it".	◆ Few(er) people have all the information needed to describe it.
◆ It recurs despite corrective action (because the underlying condition and cause remain).	◆ Corrective action solves the problem (eventually eliminates the condition, cause, and symptoms).
◆ 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 discern between symptoms v. conditions v. causes, proper usage of the CMG in monitoring report production requires it. The Reviewer must use his/her professional experience and consult with the ETA Regional and National Offices as needed.

THE *FIVE WHYs* TECHNIQUE

The Reviewer may use a technique that can help to identify conditions and causes is called the *"Five Whys".* This technique helps the Reviewer move beyond symptoms of a problem by repeating the question "Why?" Each answer forms the basis of the next question. The technique name stems from an anecdotal observation on the number of iterations usually needed to resolve the problem. The important concept is not simply the five Whys, it is iterative questioning. Note in the table below, as you move from top to bottom and you continue asking "Why", you move toward a more specific finding and, ultimately, to the cause. When the Reviewer arrives at the cause, he/she can more easily identify actions that fix the problem and prevent it from happening again.

The example below shows the process for uncovering the real condition and cause for an incorrect financial report and low-enrollment performance using the *Five Whys* Technique.



Many findings or issues may 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 a Reviewer approaches the problem can 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
- Operations

These are different issues that must be discussed, perhaps by continuing to do the *Five 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?

TIP: | *Five Whys* Technique

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 the grant recipient's records and reports. The Reviewer must use his/her professional judgment based on interviews, understanding of the grant's operations, and testing performed to ascertain the performance of the grant recipient. The assurance that the Reviewer obtains from answering the CMG questions and performing the various tests supports the Reviewer's conclusion on the operations of the grant. Some questions in the CMG ask the Reviewer to use his/her professional judgment to assess if a non-compliance issue is due to a specific, individual, or isolated factor or is a systemic problem that is inherent in the grant recipient's operations.

Based on questions answered and tests performed in Core Activities 1, 2, and 3 of the CMG, the Reviewer may form an assessment of how the grant is performing and if it is able to achieve its objectives.

COLLECTION OF DOCUMENTS

The Reviewer may find it useful to record his/her notes and specific findings at the indicator level of the Core Activity, so that, if questions arise later, the basis for the finding is on record. It is critical that any potential findings of compliance issues are supported with evidence: observations and documents that demonstrate and support the finding. Such documentation becomes part of the monitoring file. It is at the Reviewer's option whether to make field notes in the CMG document or by using other methods (e.g., electronic files). The principal aim of the CMG is to help the Reviewer organize his/her collection of notes and documents into a digital or hard copy file. It is suggested that the collection aligns with the objectives and indicators deemed relevant by ETA for the purposes of effective grants management.

EXIT CONFERENCE

The exit conference is the opportunity to review the identified issues discussed with the grant recipient. In many instances, the Reviewer may want to take back issues to management. The Reviewer may take a closer review of the evidence and discuss with staff and management as necessary. In such cases, the Reviewer may perform a preliminary exit while on site so that issues can be brought back to the Regional Office. In this circumstance, the official exit conference, conducted by telephone or video conferencing, is scheduled for a later date.

The agenda for the exit conference should consist of items that have already been disclosed to the grant recipient during the daily discussions with staff. The Reviewer should explain the issues concisely and

hear out recipient responses and questions. Where the issue may result in a finding, the Reviewer should be prepared to explain how ETA's position is supported by rule, regulation, law, or policy.

The exit conference provides the grant recipient an opportunity to clarify any of the issues that the Reviewer noted during the on-site visit and a chance to rebut or correct any false conclusions or mistaken impressions the Reviewer may have.

Before concluding, the Reviewer should explain whatever follow-up activities may be required of the recipient.

TIP: | Monitoring Report and Exit Conference

Prior to the exit conference, it is best to keep your grant recipient updated on any issues identified during the on-site review. The grant recipient should be informed of any issues prior to the official exit conference so that nothing brought up during the exit conference is a surprise. Everything that is to be contained in the monitoring report should be discussed during the exit conference. Any new information discovered during the post-review phase should be communicated to the grant recipient prior to issuing the report. Depending on the severity of the issue identified, another exit conference may be warranted.

POST-VISIT

MANAGING THE GRANT RECIPIENT'S EXPECTATIONS

Managing the grant recipient's expectation includes issuing an evidence-based monitoring report. The monitoring report is another form of timely communication and technical assistance provided to the grant recipient. The monitoring report provides a written version of the issues discussed in the exit conference, and no new findings or concerns should be contained in the report. A monitoring report should never catch a grant recipient by surprise.

Post-Visit Activities

After the on-site visit, the Reviewer should:

1. Brief management and, if necessary, perform more in-depth research on issues identified during the on-site review prior to finalizing and issuing the monitoring report.
2. Draft the monitoring report to address all compliance findings, areas of concern, and/or observations identified during the review.
3. Issue the monitoring report to the grant recipient timely. The Reviewer should refer to his/her Regional Office's Standard Operating Procedure (SOP) on the timelines and the required levels of review for monitoring reports.
4. Enter the results of the monitoring into GMS.
5. Record finding resolution activities in GMS and track until all findings are resolved.

KEY ELEMENTS OF A MONITORING REPORT

Regions have flexibility in structuring monitoring reports. Reviewer should consult their Regional SOP for guidance related to their particular programs.

TIP: | **PII**

Personally-identifiable Information (PII) is private and should not be contained in the report.

The monitoring report typically contains the following seven elements:

1. **Cover Letter** – The cover letter includes the dates of the review and programs covered, the purpose of the review, a statement that the report is attached, and any response deadlines. For competitive grant recipients, the cover letter is addressed to the official signatory of the grant. For formula grant recipients, the cover letter is generally addressed to a State Administrator. Cover letters are signed by the Regional Administrator or his/her designee.
2. **Executive Summary** – This section summarizes the promising practices, findings, areas of concerns, and/or observations that are described fully in the report.

3. **Review Scope** – This section outlines the following information:
   - Dates of review and exit conference
   - Sites visited
   - Names of ETA staff members who conducted the review
   - Names and titles of those in attendance at the exit conference
   - Purpose of the review
   - Programs reviewed, if applicable
   - Time periods for data covered in the review
   - Documents reviewed
   - Elements of the CMG used to conduct the review – In most instances this would be a list of the content areas in the CMG and supplements, if applicable, that were covered during the review, with a disclaimer note indicating that the review did not cover any areas outside of the defined scope of the CMG and that no material issues came to the Reviewer's attention other than those contained in the monitoring report.
4. **Background** – This section provides any significant background information about the grant. The background should only contain information that the reader may not have readily available or that provides context for information presented later in the report. The background section may include a program abstract and a performance analysis:
   - **Program Abstract** – provides a short synopsis of the objective of the grant and the intended participants, the service delivery area, the grant's period of performance, the grant award amount, and performance goals.
   - **Performance Analysis** –summarizes fiscal and programmatic performance of the grant for the period to date. This ensures that the grant recipient understands what time period or quarter program and financial data were used to perform any analysis. This section may display expenditures and obligations, to date, as a percentage of the total funds available or participant outcomes, to date, as a percentage of a performance goal. This section may further compare these financial and programmatic percentages with the percentage of time that has elapsed in the grant's period of performance. Time elapsed is considered a preliminary yardstick against which program activities may be measured. Where there is significant variance, the Reviewer may conduct deeper analyses. This section provides the grant recipient with a quick snapshot of how ETA views the programmatic and financial progress of the grant.

EXAMPLE: | **Time Period**	
This grant was awarded effective dates:	*October 10, 2015 to September 30, 2018*
Program Data - from the project start date through reporting quarter:	*June 30, 2017*
Fiscal Data - from the project start date through reporting quarter:	*June 30, 2017*
The percent of time elapsed in the performance period:	*58% (21 of 36 months)*

The table below describes Key Performance Outcomes through June 30, 2017.

Key Outcomes	Actual	Planned for POP	Percent of POP Plan
Total Participants Served	448	800	56%
Long-term Unemployed	383	680	56%
Unemployed	55	120	45%
Total Participants Enrolled in Education/Training Activities	131	480	27%
Total Participants Completing Education/Training Activities	80	360	22%
Total Participants Who Complete Education/Training Activities AND Receive a Degree or Other Credential	19	216	8%
Total Number of Unemployed Participants Who Obtain Employment	121	560	21%

5. **Findings** – this section lists each finding, using the 4 Cs to fully identify the issue and its resolution.

TIP: | **Findings**

Compliance findings do not exist unless an authority (e.g., statute, program regulation) has been violated.

6. **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. No corrective action is specified or required for areas of concerns. Instead, recommendations or suggestions for improvement are offered.

7. **Promising Practices** – this section lists practices deemed useful or which play an integral role in advancing the purposes of the grant. Such practices may be shared in the wider grant recipient community later.

EVIDENCE-BASED MONITORING REPORT

Writing an evidence-based report requires the ability to write with clarity and an ability to not only organize the evidence collected but also report the facts so that the report is useful information for the grant recipient. At times, the Reviewer is the sole author. In other situations, the monitoring report is produced through the collective effort of staff. In all cases, writers should:

Use clear topic sentences. Specifically state the paragraph's main idea. In most instances, the topic sentence is the first sentence of the paragraph. In the Findings section of the report, it 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.

Use active voice whenever possible. Active voice sentences generally follow a subject + verb + object format and have more impact. They give readers a clearer explanation of condition and criteria.

Editing Checklist – For each finding:

- Is the condition clearly stated?
- Is the cause included in the finding?
- Are the criteria correctly defined based on the applicable law or regulation?
- Is the corrective action clearly described, including identification of specific documents needed to resolve or support resolution?
- Does the corrective action address the cause of the condition?

Editing Checklist – For the overall report:

- Is the report organized? Are the main ideas prioritized in order of importance?
- Does the report only include the necessary information to support the findings and observations?
- Are the 4Cs included in each finding?
- Does the topic sentence of each findings and area of concern clearly and concisely describe the condition?
- Will the reader understand how to give an appropriate response related to findings and recommendations?

MONITORING FILE

The Reviewer should organize a monitoring file that contains documents such as the completed sections of the CMG, CMG tools, and any documents collected during the review. The file may be in the form of digital and hard copy documents. The monitoring file should include notes that assist the Reviewer during the resolution process. It is critical that any potential compliance issues identified on site be supported with copies of documents that demonstrate and support the finding. This is especially true for questioned costs.

Findings of non-compliance that include questioned costs require special attention. Questioned costs are Federal funds expended in violation of provisions of the applicable laws, regulations, or award terms, or an expenditure that is not supported by adequate documentation to show that it is an allowable cost. Questioned costs also include what appear to be unreasonable costs, even if they are not specifically unallowable. DOL's exception in the Uniform Guidance at 2 CFR 2900.3 allows costs to be questioned by an auditor, an FPO, a Grant Officer, or other authorized awarding agency representative (such as OIG) 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, i.e., copies of contracts, accounting records, bank statements, etc.

Example of a Monitoring File:

- Policy and procedures (including subrecipient)
- List of subrecipients and contractors
- Subgrant agreements and contracts
- Organizational charts
- Monitoring reports of subrecipients
- Procurement history file for goods and services
- Bank reconciliations
- List of all participants (with enrollment and exit dates)
- Most recent single audit report (including subrecipient)
- Evidence of unallowable costs charged to the grant
- Board meeting minutes

As required by ETA and Regional standard operating procedures (SOPs), the findings, concerns, and notable practices from the report should be entered into GMS.

RESOLUTION PROCESS

Each finding identified in the monitoring report must have a corresponding corrective or required action. The grant recipient must document the correction and send sufficient evidence to resolve the finding. Alternatively, the recipient may be required to produce a Corrective Action Plan (CAP). If the Reviewer does not accept the documentation, the response to the grant recipient should explain why the documentation was not accepted and what different or additional documentation is needed for resolution.

If the grant recipient provides a CAP as a response to findings, the Reviewer should review and approve or disapprove each CAP submission. Well-developed CAPs identify actions that address the cause and provide a timeline for implementing the changes.

After the CAP is approved, the grant recipient should communicate at regular intervals to report its progress in implementing the changes. The Reviewer should document the progress in GMS and provide guidance and any technical assistance that is needed. CAPs must be tracked until all findings are resolved. Useful CAPs answer the following questions: What can the grant recipient do to resolve the finding? Who is responsible for carrying out the corrective actions? What is the intended result?

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 requirements, cost principles, or grant terms, then another non-Federal source of funding must be substituted, and documentation demonstrating that an alternative source has been found to cover the costs in question must be verified. If the resolution occurs during the period of performance, the funds become available for other allowable uses.

CONCLUSION

The CMG is to be used by the Reviewer to support his/her review of the grant operations, financial systems, and policies and procedures generally applicable to ETA-funded grant activities. There are instances, however, where the CMG objectives or indicators do not apply to the specific grant or grants under review. In these cases, the Reviewer should develop alternatives approaches to complete the compliance review. The CMG guide is available electronically, to allow a Reviewer to excerpt sections for his/her on-site use related to those objectives and/or indicators that apply to the monitoring event.

Questions regarding monitoring of the program, as well as issuance of findings, should be directed to the appropriate Regional Office or National Program Office.

This page intentionally left blank.

CORE ACTIVITIES – GENERAL INSTRUCTIONS

INTRODUCTION TO THE CORE ACTIVITIES

The successful achievement of ETA's Mission, Vision and Guiding Principles is premised on the delivery of high-quality, outcome-focused job seeker and business services through effective grant agreements with State and local workforce systems and ensures that ETA's oversight and monitoring practices reinforce these principles while ensuring program outcomes are achieved and a high level of integrity is maintained.

The 2018 Core Monitoring Guide focuses on the programmatic, administrative, and financial requirements applicable to all ETA grant recipients, specifically in three core areas for monitoring: Service Design and Delivery, Grant Operations, and Financial Management.

How to Use the Core Activities

There are essential core functions that must be in place in order for any grant recipient to operate an ETA grant within the boundaries of acceptable practices that are established primarily by law, regulation, and/or government-wide rule. Since this CMG is *generic,* it is limited to an examination of the three basic Core Activities found in most ETA grants and is intended to provide an examination of the readiness and capacity of the grant recipient to operate the grant. The generic quality of the guide also means that the legislative authority for compliance requirements is limited to those requirements that apply to most ETA grants. These are typically found in OMB's Uniform Guidance; WIOA and related applicable Federal, State, and local laws and regulations governing a program or grant; and the terms and conditions specific to each grant. Federal regulations that establish compliance requirements for service design and delivery differ between ETA grants; therefore, legislative authority and citations are not included in Core Activity 1 except for Indicator 1.b.4: Required One-Stop Partner . Due to the generic quality of the CMG, the FPO may customize the guide to meet the monitoring objectives, timeline, or to address the riskier areas of the grant. Any supplements to the Core Monitoring Guide will include legislative authority and citations as well as updates based on changing requirements of the Uniform Guidance, WIOA and applicable Federal laws, and/or ETA policy guidance.

Instructions on Determining Compliance and Effectiveness of Core Activity Indicators

In preparation for monitoring the Core Activities, the Reviewer should become familiar with all requirements of the particular grant type 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 the objective or requirement is being met. The indicators are labeled (C) for compliance that must be met or (E) for effectiveness that may result in an area of concern or a finding later if not addressed. If a compliance indicator is not met, it 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 indicator(s), identify the attributes or criteria of the objectives for the Core Activity, and assess whether the grant objectives are being met. In some instances, the objectives or indicators may not apply to the specific grant under review. Based upon review of the indicator(s), the Reviewer needs to determine if each indicator has been met. Resources and tools found in the Appendix will help Reviewers perform an in-depth review of indicators and assist them when documenting answers to Core Activities questions, primarily related to Core Activities 2 and 3, to support their determinations of compliance and effectiveness.

The instructions for Core Activity 1 list documents to review in order to determine whether it is a compliance or effectiveness indicator or both. Based upon applicable documents to determine compliance, if the indicator is a compliance issue for the grant under review, the Reviewer is to complete the applicable citation. This is only pertinent in Core Activity 1 (with the exception of Indicator 1.b.4: Required One-Stop Partner). 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, each Core Activity includes Tips that the Reviewer may consider when performing an on-site monitoring review of a grant recipient's core activities.

CORE ACTIVITY 1 ◆ SERVICE DESIGN & DELIVERY

Core Activity 1 addresses service design and delivery that guide and support the grant recipient's strategy for accomplishing the goals of the grant. It also addresses the systems, procedures, and program operational elements that are essential to the effective delivery of participant and employer services or the development of a grant deliverable or product.

INTRODUCTION

The purpose of Core Activity 1 is to evaluate the grant recipient's design and delivery of program services and grant deliverables. Core Activity 1 is dissected into five objectives to help the Reviewer determine compliance and effectiveness of the grant recipient's service design and delivery. Each grant or 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 grant being monitored.

Objective 1.a: Planning and Program Design: The grant recipient 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 recipient has implemented service design and delivery activities in order to accomplish all grant activities and goals.

Objective 1.c: Products and Deliverables: The grant recipient has documented and/or developed the products or deliverables outlined in the SOW, PIP, or State Plan or as required in applicable Federal guidance.

Objective 1.d: Business Services and Employer Engagement: The grant recipient has documented and performed all service delivery activities outlined in the SOW, PIP, or State Plan related to serving businesses and engaging employer partners to ensure accomplishment of the grant/project goals.

Objective 1.e: Participant Services: The grant recipient is implementing the required service delivery strategy outlined in its award and is providing all required services to participants.

INSTRUCTIONS

Unlike Core Activity 2 and 3, many indicators in Core Activity 1 are marked with a (C/E), indicating it could be either a compliance indicator, an effectiveness indicator, or both, depending on the program and the specific requirements of the grant under review. 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. The compliance requirements for service design and delivery may vary between programs and grant initiatives and, thus it is not easily discernable as to which citation to apply. The Reviewer will be required to make a determination on whether an indicator is either (C), (E), or both and identify the appropriate citation applicable to the indicator based on the authorizing legislation for that particular grant. The Reviewer needs to examine the following to determine compliance requirements:

- Statement of Work (SOW)
- State Plan
- Local Plan
- Project Implementation Plan (PIP)
- Funding Opportunity Announcement (FOA)
- Grant Recipient policies
- Applicable Federal regulations/guidance

As noted in the *Introduction to the Core Activities*, Federal regulations that establish compliance requirements for service design and delivery differ between ETA grants; therefore, legislative authority and citations are not included in Core Activity 1, except for Indicator 1.b.4: Required One-Stop Partner .

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. In some instances, 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 recipient's program. Based upon applicable documents to determine compliance, if the indicator is a compliance issue for the grant under review, the Reviewer is to complete the applicable citation.

CORE ACTIVITY 1 – SERVICE DESIGN AND DELIVERY

Summary of Objectives and Indicators

Objective 1.a: Planning and Program Design

Indicator 1.a.1: Strategic Planning
Indicator 1.a.2: Service Design
Indicator 1.a.3: Coordination and Integration

Objective 1.b: Implementation

Indicator 1.b.1: Designating Personnel, Staff, and Hiring
Indicator 1.b.2: Participant Recruitment Activities
Indicator 1.b.3: Partnerships
Indicator 1.b.4: Required One-Stop Partner
Indicator 1.b.5: Establishing Contracts and Subawards
Indicator 1.b.6: Timely Equipment Purchases

Objective 1.c: Products and Deliverables

Indicator 1.c.1: Sustainability Plan
Indicator 1.c.2: Product Development

Objective 1.d: Business Services and Employer Engagement

Indicator 1.d.1: Sector Strategies
Indicator 1.d.2: Career Pathways Systems and Programs
Indicator 1.d.3: Business Services

Objective 1.e: Participant Services

Indicator 1.e.1: Service Delivery
Indicator 1.e.2: Priority of Service
Indicator 1.e.3: Eligibility/Enrollment
Indicator 1.e.4: Assessment
Indicator 1.e.5: Participant Service Plan
Indicator 1.e.6: Supportive Services
Indicator 1.e.7: Training Services
Indicator 1.e.8: Placement
Indicator 1.e.9: Follow-up Services

Objective 1.a: Planning and Program Design

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

(C/E) Indicator 1.a.1: Strategic Planning

The grant recipient has developed a strategic approach to accomplish the goals specified in the grant.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - Work Plan/SOW/State Plan/Local Plan/PIP
  - Quarterly/Annual programmatic reports
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - Relevant labor market information (LMI)
- Assess if the indicator is compliance (C) or effectiveness (E) for the grant under review. If identified as a C, complete the applicable citation.
- Identify key strategic elements of the approach to grant-funded services.
- Review the grant recipient organization's vision, mission, strategy, and action planning documents and compare these with the vision described in the FOA or TEGL.
- Interview the leadership of the grant recipient or primary staff responsible for strategic planning.

Questions for Review and Discussion

1. How did the grant recipient develop their strategic approach to accomplish the goals of the grant? What organizations did they consult, or what partners provided input? What economic or labor market information was used?
2. Is the grant recipient's strategic approach aligned with the State/Local Workforce Board's priorities for meeting the workforce and economic needs of the State and/or local area?
3. What plans or procedures has the grant recipient created to track the progress of its strategic plan?
4. How do the strategic plan goals and objectives align with the goals of the grant?
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 money, does the grant recipient (and its subrecipients) clearly state the following?
   a. The percentage of the total costs of the program or project which will be financed with Federal money;
   b. The dollar amount of Federal funds for the project or program; and
   c. The percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

Objective 1.a: Planning and Program Design

(C/E) Indicator 1.a.2: Service Design

The grant recipient has designed a service delivery system to accomplish the goals of the grant.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW/State Plan/Local Plan/PIP
  - Quarterly/Annual programmatic reports
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
- Identify the government and non-government agencies, organizations, and industry partners that contribute to the development of the service delivery system.
- Determine whether the service delivery design addresses the shared vision/goals for the system.

Questions for Review and Discussion

1. What Federal/State/local agencies and/or organizations has the grant recipient partnered with to develop its service delivery systems?
2. What are the leadership team's shared vision, mission, and goals for the service delivery system?
3. How are employers and/or industry leaders engaged in the development of the service delivery system?
4. What are the services available through the service delivery system? How does the grant recipient assure customer access to the full range of services (e.g., policies regarding customer flow, coordination requirements, etc.)?
5. What, if any, challenges does the grant recipient have to providing services to targeted populations? (Examples might include physical location, lack of fluency in the population's primary language, lack of assistive technology, etc.)
6. Does the service delivery system have a clear sequence or pathway that combines education, training, and other services to meet the participant's needs and align with employer demands?
7. Does the service delivery system provide multiple entry and exit points to enable participants to enter and exit at various levels of skill development or employment status?
8. What funding needs and sources did the grant recipient identify to cover program development, maintenance, and participant costs?

Notes:

Objective 1.a: Planning and Program Design

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

Integration and coordination is supported, codified in policy, measured, and evident at the leadership level of the workforce system in which the grant recipient operates.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW/State Plan/Local Plan/PIP
  - Quarterly/Annual programmatic reports
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - Grant Recipient policies
  - Memoranda of Understandings (MOUs)
- Review grant recipient policies to determine how they support integrated approaches to system design and service delivery.
- Determine how the grant recipient aligns its work to the local workforce system priorities and other State/Federal-led efforts, if applicable.

Tips:

- Below are examples of integration/coordination activities:
  - Common or shared service delivery processes such as intake and assessment
  - Data and information sharing that facilitates integration
  - Co-enrollment
  - Certification standards or chartering requirements related to program integration
  - Initiatives designed to combine and leverage resources and multiple funding sources to address local service delivery priorities in an integrated way
  - Overarching performance measures that focus on performance and outcomes for the One-Stop delivery system as a whole, rather than on formula grant performance standards or individual program measures
  - Alignment with State common exit policies, if applicable

Questions for Review and Discussion

1. How is the grant recipient integrating and partnering its program into the local workforce system (e.g., American Job Centers)?
2. What policies or MOUs has the grant recipient established to coordinate/integrate activities?
3. How does the grant recipient's policies, systems, and service design reduce duplication, maximize the reach of resources, ensure appropriate customer service across funding streams, and reduce administrative overhead?

Objective 1.b: Implementation

The grant recipient has implemented service design and delivery activities in order to accomplish all grant activities and goals.

(C/E) Indicator 1.b.1: Designating Personnel, Staff, and Hiring

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

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW
  - Project Timeline
  - Organizational Chart
  - Staffing Plan
- Use the SOW and the project timeline as the foundation upon which to make a determination as to the proper staffing levels for the project.
- 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.
- Make a determination as to whether the staff time allocated to the grant is sufficient to effectively perform their assigned tasks, particularly in cases where staff perform multiple roles within the organization.
- Use the project staffing plan to determine whether the grant recipient stated it would hire new staff for the grant. If so, ensure that staff have been hired are qualified or properly trained.

Tips:

- Failure to identify, assign, and/or hire personnel in a timely manner to implement the grant may be the cause of other compliance violations identified throughout the monitoring review exercise.
- If new staff is hired as a result of this grant, the Reviewer needs to that ensure the grant recipient followed its standard hiring practices to fill vacant positions. When staff allocate a percentage of their time to this grant, Reviewers must confirm that proper time management methodology is in place to ensure accurate allocation to the grant, (for example timesheets). Review of these and other personnel-related topics is provided in *Core Activity 3: Objective 3.g—Cost Allocation/Indirect Costs:* Indicator 3.g.1: Cost Allocation Principles.
- If the grant recipient has not hired or identified sufficient staff to support the grant and it does not have a written action plan for rectifying this, the Reviewer should work with the grant recipient to create a timeline for hiring staff.

Questions for Review and Discussion

1. Has the grant recipient hired additional staff for this grant consistent with the SOW/budget?

2. Given the SOW, does this seem like sufficient staffing to successfully complete the goals of this grant?
3. If the grant recipient has not hired additional staff, will the staff assigned to this grant have sufficient time to work on this grant and perform their normal duties as well?
4. What training has staff received to ensure they have skills and experience necessary to perform their assignments?
5. If the grant recipient has not hired staff as indicated in the SOW, what is impeding its progress to hire necessary staff?
6. If the grant recipient has not hired staff, has this led to known performance deficiencies? Or, will it impact performance if not resolved?

Notes:

Objective 1.b: Implementation

(C/E) Indicator 1.b.2: Participant Recruitment Activities

The grant recipient has developed a methodology and partnership action plan to map participant recruitment activities. The grant recipient has an effective methodology to target and recruit eligible program participants. The grant recipient has engaged required program partners, as well as community partner networks, to maximize outreach efforts.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW
  - Project Timeline
  - Outreach plan and materials
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
- Review the grant recipient's progress against the SOW and project timeline.
- Review outreach materials sent to potential participants and community partner networks.
- Inquire about the other methods of outreach and their success rates.
- Discuss their plan for recruiting participants and help the grant recipient create a new outreach plan if the grant recipient has had difficulty recruiting participants.

Tips

- Refer to *Core Activity 2: Objective 2.e—Performance Management:* Indicator 2.e.2: Progress Monitoring for a review of program performance.
- Grant recipients without 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 recipient is not meeting its enrollment goal.
  - Condition: the grant recipient failed to establish critical partnership.
  - Cause: new leadership of partner has different priorities.

Questions for Review and Discussion

1. What is the grant recipient's participant outreach plan and is it consistent with the SOW?
2. Which target populations is the grant recipient recruiting? How does the outreach plan address each target population?
3. What results is the grant recipient seeing from the current outreach activities? Are there particular target populations that are not being reached?
4. What role do partners have in the outreach plan?

5. How is the grant recipient evaluating the effectiveness of the current outreach activities and how do they adjust their strategy to improve results?
6. If enrollment in services has already begun, is the outreach strategy supporting the expected level of participant enrollments? What adjustments need to be made to the outreach strategy to ensure enrollment goals are met?
7. If the grant recipient is behind in outreach activities or has not begun enrolling participants, has this led to known performance deficiencies? Or, will it impact performance if not resolved?

Notes:

Objective 1.b: Implementation

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

The grant recipient continues to engage with required partners. MOUs have been signed formalizing the relationship between each party. Partners meet with some frequency to discuss program progress and address any issues that arise. Partners are held accountable for their responsibilities and play an active role in program functions.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - State/Local Plan
  - SOW
  - Project Timeline
  - Letters of commitment
  - MOU(s) with required partners
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
- Determine which partner relationships are required and which are meant for program enhancement.
- Review the signed MOU(s) for required partners.
- Assess through interviews with the grant recipient and its partners whether the responsibilities outlined in the MOU are being accomplished.

Tips

- Reviewers may want to ask for partner meeting minutes, copies of partner activity tracking mechanisms, and other pertinent documentation that demonstrates the quality of relationship between the grant recipient and its partners and adherence to the commitments outlined within the MOU.

Questions for Review and Discussion

1. Who are the required partners for this grant?
2. How is each partner fulfilling the roles/activities outlined in the letters of commitment and/or SOW?
3. How is the grant recipient working with each partner to ensure all partnership commitments are fulfilled?
4. Has the grant recipient established an MOU or partnership agreement outlining each party's responsibilities? If not, how will the grant recipient ensure partnership commitments and requirements outlined in the SOW/State Plan are met?
5. Who are the additional partners the grant recipient works with that are not expressly required in the SOW? How do these additional partners contribute to the grant?
6. How does the grant recipient track/document activities with partners?

Objective 1.b: Implementation

(C/E) Indicator 1.b.4: Required One-Stop Partner

If the grant recipient is a required 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:

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), and 678.900(a)(c)(d); TEGL No. 16-16

Instructions:

- Review the following documents (as applicable):
  - State/Local Plan
  - SOW, PIP
  - MOU(s) with required partners
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
- Determine whether the grant recipient is a required partner in the local One-Stop delivery system.
- Review the signed MOU(s) for required partners.
- Determine whether the grant recipient is fulfilling all of its responsibilities as a required partner through interviews with the grant recipient and review of the MOU(s).

Tips

- The required DOL one-stop partner programs are listed below:
  - WIOA title I programs:
    - Adult, DW (Dislocated Worker), Youth
    - Indian and Native American Programs
    - NFJP (National Farmworker Jobs Program)/ MSFW (Migrant and Seasonal Farmworker)
    - Job Corps
    - YouthBuild
  - WIOA title III programs:
    - Unemployment Compensation
    - Wagner-Peyser
  - SCSEP (Senior Community Service Employment)
  - TAA Program (Trade Adjustment Assistance)
  - Jobs for Veteran State Grants
  - REO (Reentry Employment Opportunities)

- The required Department of Education (ED) one-stop partner programs are listed below:
  - AEFLA (Adult Education and Family Literacy Act) program, WIOA title II
  - State VR (Vocational Rehabilitation) Service program, amended by WIOA title IV
  - Career and technical education programs at the postsecondary level, authorized under the Carl D. Perkins Career and Technical Education Act of 2006

- The required Department of Housing and Urban Development (HUD) one-stop partner program is listed below:
  - Employment and training programs

- The required Department Health and Human Services (HHS) one-stop partner programs are listed below:
  - Employment and training activities carried out under the Community Services Block Grant (CSBG) programs
  - Temporary Assistance for Needy families (TANF) programs, unless exempted by the Governor under 20 CFR 678.405(b)

- A useful technical assistance tool on the development of a WIOA MOU and Infrastructure Funding agreement is available at the WorkforceGPS website under 'Sample MOU and Infrastructure Costs Toolkit'.

One-Stop Partner Roles and Responsibilities

20 CFR 678.305(b)-(d); 678.310; 678.405(b); 678.430; 678.435; and TEGL 16-16

Questions for Review and Discussion

1. Are all required partner programs represented in the Local One-Stop delivery system?
2. How does the required partner program provide access to its program or activities through the Local One-Stop delivery system?
3. Does the required partner program provide access to its services through any affiliated sites or specialized AJCs in the State? For each affiliated site or specialized AJC in which the required partner program provides access to its services, is access to services provided on site by a program staff member, via cross training of partner staff, or via direct linkage through technology?
4. Does the required partner program provide career services through AJCs in the State? What specific career services is the required partner program providing through AJCs?

Memoranda of Understanding

20 CFR 678.500; 678.505; 678.755; and 678.760

Questions for Review and Discussion

1. Has the Local Workforce Development Board (LWDB), with the agreement of the CEO, developed and entered into a signed MOU with all of the required one-stop partners?
2. Does the MOU contain:
   - A description of services to be provided through the One-Stop delivery system, including the manner in which the services are to be coordinated and delivered through the system;
   - One-Stop operating budgets identifying the costs of the services and the operating costs of the system including an Infrastructure Funding Agreement (IFA) for the infrastructure costs of One-Stop Centers in accordance with 20 CFR 678.700 - 678.755 and funding of the shared services and operating costs of the One-Stop delivery system described in 20 CFR 678.760;
   - Methods to providing access to services;
   - Methods for referring individuals between the One-Stop operators and the grant recipient for appropriate services and activities;
   - Provisions specifying the MOU's duration and the procedures for amending it;
   - Identification of other contributions made to the one-stop system through other avenues;

- ❑ A description of the modification process;
- ❑ Signatures of all the required partners' authorized representative; and
- ❑ Appeals process and the resulting update to the MOU.

3. Does the MOU contain the following information related to infrastructure funding (20 CFR 678.755):
   - ❑ The period of time in which the IFA is effective? (This may be a different time period than the duration of the MOU.)
   - ❑ Identification of a One-Stop operating budget, including infrastructure costs in the IFA and additional costs, which will be periodically reconciled against actual costs incurred and adjusted accordingly to ensure that it reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner in proportion to its use of the One-Stop Center and relative benefit received, and that complies with 2 CFR 200.405?
   - ❑ Description of the process to be used among partners to resolve issues during the MOU duration period when consensus cannot be reached?
   - ❑ Description of the periodic modification and review process to ensure equitable benefit among One-Stop partners?
4. Do MOUs contain any additional costs agreed upon by the grant recipient, including:
   - Applicable career services that must be included; and
   - Shared operating costs and shared services that may be included?
5. Does the grant recipient use a portion of funds made available under their program's authorizing Federal law (or fairly evaluated in-kind contributions) to pay the additional costs relating to the operation of the One-Stop delivery system (20 CFR 678.760)?

Common Identifier

20 CFR 678.900(a)(c)(d)

Questions for Review and Discussion

1. As a required partner, is the "American Job Center" used as a general reference to the local one-stop center, or as the tag line "a proud partner of the American Job Center network" on all products, signage, programs, activities, services, electronic resources, facilities, and related property and new materials used in the One-Stop delivery system?

Notes:

Objective 1.b: Implementation

(C) Indicator 1.b.5: Establishing Contracts and Subawards

The grant recipient has established contracts and/or subawards to successfully operate the grant.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW
  - Project Timeline
  - List of contracts and subawards
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
- Identify services or goods to be procured, based on the SOW and project timeline.
- Determine whether the grant recipient established necessary contracts and/or subawards.

Tips

- If the grant has not procured services or goods that were outlined in the SOW and no action plan is in place, work with the grant recipient to create a timeline with milestones for the successful completion of procurement.
- This section considers only the timely establishment of the contract and subawards to successfully implement grant requirements. Refer to Objective 2.d: Procurement and Contract Administration to make compliance and qualitative determinations on contracts and subawards.

Questions for Review and Discussion

1. Has the grant recipient established contracts and/or subawards necessary to accomplish the goals of the grant?
2. What, if any, challenges or delays has the grant recipient encountered in establishing necessary contracts or subawards?
3. What is the grant recipient's action plan to establish the necessary contracts and/or subawards to accomplish the goals of the grant?
4. How will the delay in establishing the necessary contracts and/or subawards impact the overall implementation and successful outcomes of the grant?
5. If the contracts and/or subawards are in the midst of the procurement process at the time of review, at what stage are they in the process?

Notes:

Objective 1.b: Implementation

(C) Indicator 1.b.6: Timely Equipment Purchases

The grant recipient has purchased equipment outlined in the SOW or requested approval to purchase equipment subsequent to grant award.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW
  - Equipment Modifications and Request
  - List of equipment purchased
- Determine what equipment the grant recipient has identified as necessary to accomplish the goals of the grant. This may be found in the SOW and/or equipment modifications/requests.
- 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.

Tips

- To review financial and administrative compliance of all equipment purchases, see Objective 2.c: Property Management to determine if the delegation of written prior approval authority is specified. For example, many formula grants awarded to States includes a delegation of prior written approval authority for equipment purchases to the Governor.

Questions for Review and Discussion

1. What equipment or services, if any, did the grant recipient specify they would procure?
2. When must the equipment or service be purchased and in place to fully support the work outlined in the SOW?
3. If the grant recipient is behind in the purchasing of equipment or services, how will the delay impact the overall implementation and outcome success of the grant?
4. What can the grant recipient do to ensure all equipment and services is purchased and in place to support successful execution of all grant activities?

Notes:

Objective 1.c: Products and Deliverables

The grant recipient has documented and/or developed the products or deliverables outlined in the SOW, PIP, or State Plan or as required in applicable Federal guidance.

(C/E) Indicator 1.c.1: Sustainability Plan

The grant recipient 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, defines which principles/goals the grant recipient will sustain, outlines strategy to build collaboration between partners, defines strategies and methods for sustainability, and provides action steps.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - Sustainability Plan
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
- If a sustainability plan has not yet been developed, interview key staff to identify the timeline for developing a sustainability plan.
- Identify if the grant recipient needs technical assistance to successfully create a sustainability plan.

Tips

- The sustainability plan is a plan for the continuation of a project's goals, principles, and efforts to achieve desired outcomes through activities that are consistent with the current conditions and workforce development needs of the area. Sustainability plans strengthen partner commitment by creating relationships that last beyond the life of a single grant. They 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 project.
- For competitive awarded grants only - ETA's Sustainability Toolkit.
- Various ETA programs also have sustainability toolkits specific to their program requirements.

Questions for Review and Discussion

1. How is the grant recipient planning for sustainability throughout the life of the grant? What actions are they taking to prepare for successful sustainability? Has the grant recipient identify other resources to sustain the project?
2. What aspects of the grant will continue after the grant ends?
3. How will all practices be continuously evaluated to determine importance to program operations? What will it take to continue practices deemed crucial after the grant ends?
4. What functions, services, and/or activities are critical to sustain grant outcomes (i.e., case management, supportive services, etc.)? What resources have been identified to sustain program operations (i.e., allocated staff, training funds, etc.)?

5. How is the grant recipient training personnel during the grant to institutionalize the knowledge needed to continue the project after the grant ends?
6. How will deliverables produced during the grant, such as new curriculum, new website, and expanded marketing campaign, continue to support operations afterward?
7. Describe any changes in management structure and/or policies anticipated during the grant that help improve the efficiency and effectiveness of operations and support sustainability.

Notes:

Objective 1.c: Products and Deliverables

(C) Indicator 1.c.2: Product Development

Specific products required in the FOA and/or applicable Federal guidance and outlined in the SOW have been developed.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW
  - Work plan
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
- Identify any products or deliverables the grant recipient is required to develop and determine progress toward product development.

Questions for Review and Discussion

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

Notes:

Objective 1.d: Business Services and Employer Engagement

The grant recipient has documented and performed all service delivery activities outlined in the SOW, PIP, or State Plan related to serving businesses and engaging employer partners to ensure accomplishment of the grant/project goals.

(C/E) Indicator 1.d.1: Sector Strategies

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

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW/State Plan/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - Meeting minutes from Sector Strategy/Partnership Meetings
  - Relevant labor market information (LMI)
- Determine the degree to which the grant recipient is engaged in sector strategies.
- Identify how the grant recipient decided upon the targeted industry or industries and how they have subsequently engaged key industry partners.
- Interview industry partners, to the extent possible, 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 the background documentation (e.g., labor market information, skills gap analysis etc.) that supports the selection of targeted 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 recipient using to make decisions about target industries and education and training investments?
2. How are targeted industry sector employers providing input/involved in designing the programs and delivery of services to ensure their workforce needs are met?
3. How do the grant recipient and its 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 does the grant recipient measure sector strategy outcomes?
5. How will the grant recipient financially sustain sector work over time?
6. What personnel, policies, vision, and resources does the grant recipient have in place to continually support sector strategy outcomes?

Objective 1.d: Business Services and Employer Engagement

(C/E) Indicator 1.d.2: Career Pathways Systems and Programs

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

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - State/Local Plan
  - SOW, PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
- Determine the grant recipient's role/requirements related to career pathways systems and programs.
- Through interviews, determine how the grant recipient has approached the creation of career pathways systems and programs.
- Assess the level of partner participation through discussions with pertinent partners and meeting minutes.

Tips

- Career Pathway System vs. Career Pathway Program:
  - A **career pathway system** is made up of multiple career pathway programs that span educational institutions, workforce and support service partners. These programs are all oriented around a shared understanding of the needs of industry. Often, tools like career pathway maps are used to talk with students and job seekers about how they can progress through education and training experiences to obtain employment.
  - A **career pathway program** offers a clear sequence of stackable credits and credentials, combined with support services, which enables students and job seekers to secure industry-relevant skills, certifications, and credentials and advance to higher levels of education and employment in high demand occupations.
- Career Pathways Toolkit: An Enhanced Guide and Workbook for System Development

Questions for Review and Discussion

For grant recipients that are developing career pathway systems:

1. What Federal/State/local agencies and/or organizations has the grant recipient partnered with to develop career pathway systems?
2. Who is on the cross-agency leadership team and what are the roles of each member?
3. What are the leadership team's shared vision, mission, and goals for the career pathway system?

4. How were the sectors chosen for which the career pathway system/and or program is being developed?
5. What labor market analysis was used?
6. How are employers and/or industry leaders engaged in the development of the career pathway system? What are their specific roles?
7. Determine whether or not the developed career pathway systems have the following:
   - A clear sequence or pathway that combines education, training, and other services to meet the participant's needs and align with employer demands.
   - Helps an individual enter or advance within a specific occupation or occupational cluster.
   - 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 grant recipient identify to cover program development, maintenance, and participant costs?
9. Is the grant recipient reforming State/local policy to align with vision and implementation of a coordinated workforce and education system?
10. If so, what are the changes and how has it supported the implementation of a coordinated workforce and education system?
11. What are the short-term and long-term system, program, and participant outcomes the grant recipient identified, developed, and defined to measure system change and performance?

Questions for Review and Discussion

For grant recipients that are developing career pathway programs:

1. How were the sectors chosen for which the career pathway system/and or program is being developed?
2. What labor market analysis was used?
3. How are employers or industry leaders engaged in the development of the career pathway program? What are their specific roles?
4. Determine how the career pathway program offers a clear sequence or pathway that combines education coursework and/or training that lead to stackable credentials.
5. How is the grant recipient measuring skill attainment along a career pathway?

Notes:

Objective 1.d: Business Services and Employer Engagement

(C/E) Indicator 1.d.3: Business Services

The grant recipient maintains strong relationships with the business community and collaborates with system partners to provide coordinated business services. The grant recipient utilizes work-based training models such as internships, on-the-job training (OJT), customized training, registered apprenticeships, and incumbent worker training (IWT) to serve business needs, as outlined in the FOA and SOW/State Plan.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW/State Plan/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - Documentation that pertains to the grant recipient's business services provision (e.g., brochures, calendars of events, business services handbooks or policies, outreach materials, assessment tools, etc.).
- Determine through interviews how business services are conducted, how determinations on business customer needs are made, and how the grant recipient evaluates effective service to the business customer.

Tips

- Reviewers should carefully examine the grant recipient's approach to outreach and engagement with businesses. The approach should be based primarily on listening and responding to business' needs as this may go beyond a presentation of programs and services.
- The grant recipient should demonstrate the capacity and willingness to customize services where possible to meet specific business customer needs.

Questions for Review and Discussion

1. What is the grant recipient's strategy for serving business customers?
2. How does the grant recipient identify which businesses to approach?
3. How does the grant recipient partner with other agencies, programs, or organizations to coordinate outreach to businesses?
4. How does the grant recipient identify needs of the business customer and tailor services to their needs?
5. How are staff members trained to service businesses?
6. What resources are used to provide services?
7. How does the grant recipient track their engagement with business customers (e.g., spreadsheet, other MIS tools, etc.)?

Notes:

Objective 1.e: Participant Services

The grant recipient is implementing the required service delivery strategy outlined in its award and is providing all required services to participants.

(C) Indicator 1.e.1: Service Delivery

The grant recipient provides access to the full array of participant services stipulated in the grant agreement.

Citation:

For Core Activity 1 only, the Reviewer will be required to review the applicable documents to identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW/State Plan/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - Subawards/Contracts
  - All applicable policies and procedures
  - MOUs
  - Program reports
- Ensure the grant recipient makes all services available in accordance with standards set forth in the SOW, State Plan/Local Plan, FOA, Federal guidance, and applicable policies and procedures.
- Determine customer flow and participant referral methods.
- Assess service integration efforts and MOU implications on service delivery.

Questions for Review and Discussion

1. How does the grant recipient assure customer access to the full range of services (e.g., policies regarding customer flow, coordination requirements, etc.)?
2. Does the organization's services and customer flow appear to promote access to the full array of services available through the grant? What MIS or tool supports access to the full array of services available?
3. What is the grant recipient's formal referral policy for customers who need services that are not available through this grant? Does practice appear to conform to this policy?
4. If applicable, how does the grant recipient engage in joint case management with partners that ensures coordination of services and tracks customers' progress toward achieving their goals?

Notes:

Objective 1.e: Participant Services

(C) Indicator 1.e.2: Priority of Service

The grant recipient has an effective system for ensuring priority of services.

Citation:

For Core Activity 1 only, the Reviewer will be required to review the applicable documents to identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW/State Plan/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - Subawards/Contracts
  - All applicable policies and procedures
- Confirm that the grant recipient ensures priority of service in accordance with standards set forth in the SOW, State Plan/Local Plan, FOA, Federal guidance, and applicable policies and procedures.
- Review information from the grant recipient regarding service priorities, including any additional populations established as service priorities.

Tips

- If applicable, Reviewers should check the triage/intake area for signs, brochures, and/or flyers that inform participants of veterans' priority of service.

Questions for Review and Discussion

1. How do written policies and procedures ensure priority of service to veterans, covered individuals, and other priority populations?
2. How do policies and procedures embed service priorities into customer flow and decision making?
3. How does the grant recipient conduct outreach to priority populations?
4. How does the service delivery design reflect priority of services to veterans?
5. Do local service statistics or labor market information indicate that the populations identified by the grant recipient as priorities for service are being served on a priority basis?

Notes:

Objective 1.e: Participant Services

(C) Indicator 1.e.3: Eligibility/Enrollment

The grant recipient adheres to eligibility requirements when enrolling participants.

Citation:

For Core Activity 1 only, the Reviewer will be required to review the applicable documents to identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW/State Plan/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - All applicable policies, procedures, and tool(s) the grant recipient may have developed to support accurate eligibility documentation by staff, such as a checklist or desk reference
  - Data collection requirements
- Review the eligibility requirements, including data collection requirements, outlined in the FOA or ETA guidance.
- Interview program staff/case manager to determine how each eligibility requirement is documented.
- Review a sample of case files to ensure required eligibility documentation was obtained and the correct eligibility determination was made.
- Ensure eligibility is verified prior to the provision of services (if applicable).

Tips

- If errors or omissions are identified, note the specific exceptions and advise the grant recipient to re-verify the eligibility of any participant in question. If there appears to be a pattern of incorrect or incomplete eligibility determinations, advise the grant recipient to perform a complete review of its files to ensure that all participants are eligible. You may also want to include this as a required action in the monitoring report.
- If any participants are ineligible, advise the grant recipient that all costs associated with ineligible participants are questioned, and ETA may require that those costs are restored to the grant or repaid to ETA.

Questions for Review and Discussion

1. Does staff correctly determine that all participants are eligible for services? If not, why?
2. What tools do staff use to gather eligibility documentation and make decision about eligibility?
3. Is there training provided on eligibility documentation and determination?

File Review

1. Is the documentation in each case file sufficient to fully support the eligibility determination? Determine the date eligibility was established and when the first service was provided. If applicable, ensure eligibility is verified prior to the provision of services.
2. Are there any participants who are ineligible?

Objective 1.e: Participant Services

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

The grant recipient administers participant assessments that accurately gauge participant capacity/aptitude and identify participant skills/interests. The results of assessments are used to customize participant service strategy and to ensure positive outcomes for each participant. The grant recipient utilizes assessments as one of many tools to provide quality services to its participants.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW/State Plan/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - All applicable policies and procedures
- Determine through the case manager and participant interviews how assessments inform participant services.
- Describe how adjustments are made and documented when identified along the pathway to completion.
- Review a sample of case files to ensure assessments accurately gauge participant capacity/aptitude and identify participant skills/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

- Reviewers 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 by the grant? How must they be documented?
2. At what point(s) in service delivery does the grant recipient assess participants? What types of assessments does the grant recipient employ?
3. Does the grant recipient ask participants for any other assessments they may have completed with a partner program/organization?
4. How are assessments used to customize participant services and inform the participant service plan? How do assessments help determine suitability for training, educational course work and/or employment?
5. Which, if any, assessments are used periodically throughout the period of performance to gauge participant progress?

File Review

1. Are assessments included in the participant file? Do they align with case notes and participant service strategy?

Notes:

Objective 1.e: Participant Services

(C/E) Indicator 1.e.5: Participant Service Plan

A participant service plan is developed based on the participant assessment and includes an appropriate combination of services to address their needs and support desired outcomes. The plan is revisited periodically to reflect participant progress and to address any items that might have changed over time.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions

- Review the following documents (as applicable):
  - SOW/State Plan/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - All applicable policies and procedures
- Determine whether the grant recipient creates a service plan for all participants.
- Determine whether the participant service plan is periodically updated to reflect progress and if there is a written procedure to address items that may need to be modified.
- Determine through the case manager and participant interviews to what degree participants are engaged in the participant service plan development process and the extent to which it is used as a tool to guide participant service provision.
- Interview, if time permits, a sample of participants and ask if they actively participated in the development of their service plans, if they are fully aware of their employment goal(s), and how the service plan is intended to help them reach that goal.

Tips

- Depending on the grant type, the participant service plan could be referred to as an Individual Employment Plan, Individualized Career Plan, Individual Service Strategy, or something similar.
- The development of the participant service plan can play a critical role in the participant's success. It helps customers understand how their goals are met through specific activities.

Questions for Review and Discussion

1. How does the grant recipient ensure that the participant service plan identifies and meets specific needs of each individual participant?
2. How do case/program managers engage participants in the development of the participant service plan?
3. How does the participant service plan include integrated partner services, as appropriate, to meet individual outcomes?

File Review

1. Are participant service plans included in the participant file?
2. Does the participant service plan reflect the needs and barriers identified through the assessment process?
3. Is there evidence in the file that the case manager discussed the assessment results with the participant and that they jointly developed the participant service plan?
4. Does the participant service plan include both short- and long-term goals?
5. Do the goals align with the participant performance outcomes identified in the grant (i.e., employed, measurable skills gain, employment retention, credential attainment)?
6. Do the case notes document that there is ongoing contact between the case manager and the participant, that the participant's progress is being tracked, and that the service plan is updated when any change in circumstances, goals, or planned activities and services occurs?
7. Are there any extended lapses in service? If yes, ask the case manager to explain why.

Notes:

Objective 1.e: Participant Services

(C) Indicator 1.e.6: Supportive Services

Supportive services are being provided to participants as needed to overcome barriers to participation in and completion of the participant service plan.

Citation:

For Core Activity 1 only, the Reviewer will be required to review the applicable documents to identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW/State/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - All applicable policies and procedures
- Determine whether supportive services are an allowable cost. If not, determine how the grant recipient works with partners to obtain necessary supportive services. Note any budgetary limitations.
- Review policies and procedures governing supportive services. Through case file review, determine the following:
  - Whether participants who need supportive services are being offered services.
  - Whether supportive services that were provided were done in accordance with FOA guidance and the grant recipient's policies and procedures.

Tips

- Supportive service resources may include, but are not limited to, transportation, childcare, dependent care, housing, and needs-related payments that are necessary to enable an individual to participate in grant activities.

Questions for Review and Discussion

1. Are there written policies and procedures for the provision of supportive services? If yes, how is staff trained on these policies and procedures?
2. How does the grant recipient determine whether a participant needs supportive services? What financial needs analysis is conducted to identify and document financial barriers to participation that can be overcome through supportive services?
3. Are any supportive services provided through partner organizations? If yes, what are the partner-provided services? What is the mechanism used to request support from partners? What follow-up is conducted to ensure that the participant actually received the service?
4. Are there any specialized supportive services that are being provided in accordance with the FOA (e.g., financial literacy, mental health counseling, etc.)?
5. Does the grant recipient provide supportive services and needs-related payments? If so, is there an approved written policy or procedure for the provision of needs-related payments? How does the policy

or procedure ensure that needs-related payments are essential to participant engagement in the program activities? What documentation is required for needs-related payments?

File Review

1. Do the case notes and participant files identify the barriers that may prevent the participant from participating in and successfully completing the participant service plan?
2. Is there evidence that supportive services have actually been provided in accordance with both the plan and the grant recipient's policies and procedures?

Notes:

Objective 1.e: Participant Services

(C/E) Indicator 1.e.7: Training Services

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

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW/State/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - All applicable policies and procedures
  - Sample MOUs or work-based training/ on-the job training (OJT) agreements/ contracts
- Determine what the training requirements are required for the grant. Review policies and procedures governing training services.
- Assess, through the case manager interview, how training determinations are made.
- Ensure, through the participant interview(s) and case file reviews, participants are involved in training program selection and training is appropriate for the participant within the current labor market.

Questions for Review and Discussion

1. Is the grant recipient providing the full range of training services stipulated in the grant agreement? If not, why? Does this require an SOW change?
2. Does the range of training options include work-based training? If so, does the grant recipient have MOUs or work-based training/OJT agreements/contracts/registered apprenticeship agreements in place?
3. For participants receiving training to advance along a career pathway, what training costs does the grant provide? Are there training costs that are covered through financial aid or through other leveraged funds?
4. How does the grant recipient ensure the participant can continue on the pathway without continued funding?

File Review

1. If training is needed to meet an employment goal, does the file reflect that a training plan has been developed that is 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 the training, what has the case manager done to address the problem?

Work-Based Training Instructions

- Review the following documents (as applicable):
  - SOW/State/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - All applicable policies and procedures
  - MOUs/work-based training contracts
- Determine the extent to which the grant recipient utilizes work-based training models.
- Determine how the grant recipient engages employers to provide this training, based on the SOW/Local Plan and interviews with staff.
- Review any contracts or MOUs to ensure compliance.
- 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 recipient interactions and work-based training experience.

Questions for Review and Discussion

1. How has the grant recipient engaged employers and educators in designing the work-based training component of their project to ensure meaningful skill development?
2. How do sector strategies play a role in the development of work-based training programs?
3. Has the grant recipient developed plans with employers to support entry and advancement into a career track with the business or industry?

Notes:

Objective 1.e: Participant Services

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

Grant recipient provides job search, referral, and other services that help participants obtain employment.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW/State/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - All applicable policies and procedures
- Determine employment placement requirements and goals as prescribed by documents above.
- Assess participant employment placement strategy through the case manager, job developer, or business services representative interview.

Questions for Review and Discussion

1. What job search or other job development services does the grant recipient provide to assist the participant in finding employment?
2. How are participants served post-training to support placement into employment, retention, advancement along a career pathway, if appropriate, etc.?
3. What measures were taken to ensure that employment placement fell within the industry that the participant was trained for?

Notes:

Objective 1.e: Participant Services

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

The grant recipient maintains frequent contact with participants and provides allowable services to help ensure successful grant-related outcomes.

Citation:

For Core Activity 1 only, the Reviewer will be required to make a determination on whether an indicator is either (C), (E) or both and identify the appropriate citation applicable to the indicator.

Instructions:

- Review the following documents (as applicable):
  - SOW/State/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - All applicable policies and procedures
- Determine through interviews and case file reviews the extent to which follow-up services are provided to participants after attaining unsubsidized employment or post-program participation.
- Ensure adherence to any follow-up requirements is outlined in the FOA, SOW, and applicable Federal guidance.

Questions for Review and Discussion

1. What is the grant recipient's written plan for providing follow-up services to grant participants who successfully completed the program? What follow-up services are being provided to the participants?
2. Do case managers stay in regular contact with participants' post-program completion? Is there a policy or procedure that defines and requires "regular contact" with grant participants? If yes, how is "regular contact" defined? How does the grant recipient achieve the standard in the definition?
3. Where follow-up is not a requirement, how does the grant recipient determine whether follow-up is necessary?
4. Does the grant recipient require follow-up with participants who did not complete the program or failed to achieve program goals such as employment? If yes, what does that follow-up look like (i.e., method of communication, timeframe that follow-up is conducted, strategies for reaching unresponsive participants, etc.)?

Notes:

CORE ACTIVITY 2 ◆ GRANT OPERATIONS

Core Activity 2 addresses grant operations that support the successful administration of the program/project. The programmatic and fiscal operations of the grant/project help effectively manage the delivery of the services outlined in the SOW, project plan or State plan and agreed upon and approved by the Grant Officer.

INTRODUCTION

The purpose of Core Activity 2 is to assist the Reviewer in the evaluation of the grant recipient'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's operations. Because each grant type has different programmatic requirements, the Reviewer must carefully review each objective and its indicators to determine whether it applies to the grant under review.

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

Objective 2.b: Budget: The grant recipient 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 recipient 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 recipient maintains an adequate procurement/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.

Objective 2.e: Performance Management: The grant recipient 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 & Oversight: If applicable and as a pass-through entity (PTE), the grant recipient 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 recipient 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.

Objective 2.h: Personnel: The grant recipient's management and staffing are aligned with the SOW, State Plan, or project plan and designed to assure responsible and ethical management of the grant/project.

Objective 2.i: Civil Rights, Complaints, Grievances & Incident Reporting: The grant recipient has a system in place to ensure the Federal Civil Rights complaints, program complaints, grievances, and incidents are handled properly and in accordance with Federal requirements.

INSTRUCTIONS

Each indicator in Core Activity 2 is identified as (C) for compliance that must be met or (E) for effectiveness that may not result in a compliance issue but can develop into one, 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 recipient 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 objective and indicators to determine if applicable to the grant/ 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 management in the Regional Office and with Office of Grants Management (OGM) staff, as appropriate.
- 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 law, regulations, Uniform Guidance, national policies, Grant Terms and Conditions, ETA policy guidance, and/or the grant agreement. Negative responses to an 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 2 – GRANT OPERATIONS

Summary of objective and indicators

Objective 2.a: Project Management

Indicator 2.a.1: Specific Award Conditions
Indicator 2.a.2: Prior Approval of Project Modifications
Indicator 2.a.3: Closeout Requirements

Objective 2.b: Budget

Indicator 2.b.1: Budget Controls
Indicator 2.b.2: Budget Modifications

Objective 2.c: Property Management

Indicator 2.c.1: Insurance Coverage
Indicator 2.c.2: Real Property
Indicator 2.c.3: Equipment
Indicator 2.c.4: Rental or Leasing Costs for Property
Indicator 2.c.5: Supplies
Indicator 2.c.6: Intangible Property

Objective 2.d: Procurement and Contract Administration

Indicator 2.d.1: Procurement Standards
Indicator 2.d.2: Competition
Indicator 2.d.3: Methods of Procurement
Indicator 2.d.4: Cost or Price Analysis

Indicator 2.d.5: Contract Administration

Objective 2.e: Performance Management

Indicator 2.e.1: Performance Reporting
Indicator 2.e.2: Progress Monitoring

Objective 2.f: Subrecipient Management & Oversight

Indicator 2.f.1: Subrecipient and Contractor Determination
Indicator 2.f.2: Pre-Award Risk Analysis
Indicator 2.f.3: Post Subaward Responsibilities
Indicator 2.f.4: Subrecipient Monitoring

Objective 2.g: Records Management

Indicator 2.g.1: Record Retention
Indicator 2.g.2: Accessibility
Indicator 2.g.3: Protected Personally Identifiable Information
Indicator 2.g.4: Custody and Transfer

Objective 2.h: Personnel

Indicator 2.h.1: Personnel Policy and Procedures
Indicator 2.h.2: Staff Positions
Indicator 2.h.3: Salaries
Indicator 2.h.4: Organizational Chart

Objective 2.i: Civil Rights, Complaints, Grievances & Incident Reporting

Indicator 2.i.1: Policies and Procedures
Indicator 2.i.2: Notices
Indicator 2.i.3: Facilities
Indicator 2.i.4: Grievance and Complaint System
Indicator 2.i.5: Incident Reporting

Objective 2.a: Project Management

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

(C/E) Indicator 2.a.1: Specific Award Conditions

The grant recipient has award conditions that may include an industry focus, occupational targets, certain populations to be served and allowable grant activities specified by ETA upon which it must adhere to.

Citation: 2 CFR 200.207

Instructions:

- ❑ Review the FOA and the grant recipient's award document for any specific award conditions that were imposed by ETA.

Questions for Review and Discussion

1. What systems or procedures does the grant recipient have in place to monitor varying components (industry focus, occupational targets, specific populations/eligible participants and an arrangement of activities and services) of the project/grant that will allow it to meet the conditions in the FOA or grant award?
2. Are there any additional or unique award conditions placed on the grant recipient by ETA? If so, how is the grant recipient adhering and satisfying these requirements as well?
3. If the grant recipient is not meeting one or more specific award conditions of the grant/project, what steps or procedures does it have in place to correct/remedy the issue?

Notes:

Objective 2.a: Project Management

(C) Indicator 2.a.2: Prior Approval of Project Modifications

The grant recipient is aware of the modification process that require prior written approval from the Federal awarding agency for certain changes to the project or budget. The process installed by the grant recipient ensures that prior written approval is obtained in a timely manner.

Citation: 2 CFR 200.308, 2 CFR 200.407, 2 CFR 2900.9-2900.12, 20 CFR 683.235, and Grant Terms and Conditions

Instructions:

- ❑ Interview key personnel to understand the project/budget modification process.
- ❑ Review the grant recipient's procedures for assessing the grant/project and the need for a possible project modification.

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. DOL's exceptions specify the form, timeframe, and authority in which requests must be submitted to the Department. Items of cost included in the SOW or budget as awarded do not constitute prior approval. Please refer to the terms and conditions of the grant agreement.
  - ***State Formula Grant Recipients***: Please review the terms and conditions of the grant agreement to determine if the prior approval authority has been delegated to the Governor. If no such language exists in the grant agreement or grant modification requires prior approval, then the prior approval criteria in the Uniform Guidance applies.
  - ***Competitive or Discretionary Grant Recipients***: Certain items of costs included in the SOW or budget as awarded does not constitute prior approval. See Resource I: List of Items Requiring Prior Approval. For budget modifications to grant awards over the Simplified Acquisition Threshold, ETA restricts the transfer of funds among cost categories without prior approval from the Grant Officer. The cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by ETA. The Simplified Acquisition Threshold is set at $150,000 as of 2017. Please refer to the Federal Acquisition Regulation (FAR) for the most updated amount.
  - During the sample testing of transactions at Objective 3.f: Allowable Costs and Cost Classification, ensure that proper prior approval was given prior to the action (e.g., purchasing, contracting, etc.)

Questions for Review and Discussion

1. Does the grant recipient have policies and procedures in place when grant modifications need to be made? Does the mechanism allow for a 30-day notice?
2. Are grant management staff aware of modifications that require prior approval? Are they also aware of ETA-specific requirements related to revisions of program plans including pre-approval, timeliness of requests, and Grant Officer authority for revision of program plans? See Objective 2.b: Budget.

3. Has the grant recipient made any changes to the approved SOW without prior approval? If so, have they been notified that such change is not recognized by the Grant Officer?
4. Has the grant recipient complied with the prior approval requirements of the award in relation to non-SOW, non-budget-related modification prior approvals (e.g., equipment, renovations, etc.)?
5. Did the grant recipient receive Grant Officer approval prior to the action taken or cost incurred?

Notes:

Objective 2.a: Project Management

(C) Indicator 2.a.3: Closeout Requirements

The grant recipient has a process in place for timely completion of closeout of its grant and, if applicable, subawards of its subrecipient(s).

Citation: 2 CFR 200.16, 2 CFR 200.331(a)(6), 2 CFR 200.333, 2 CFR 200.343, and 2 CFR 2900.15

Instructions:

- Obtain the grant recipient's closeout policy and procedure and walk through the process with key personnel to ensure that any required closeout documentation is submitted appropriately and timely to ETA's closeout unit.

- Verify that the closeout policy and procedure specify the following action to be completed at the end of the grant's period of performance [2 CFR 200.343(a)-(g)]:
  - Submit, not later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award;
  - Liquidate all accruals incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award [2 CFR 2900.15].
  - Obtain timely invoices and make prompt payments to the subrecipient for allowable reimbursable costs under the Federal award being closed out, if applicable.
  - Refund any balances of unobligated cash to ETA that was paid in advance or was paid and are not authorized to be retained by the grant recipient for use in other projects.
  - Make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received from its subrecipients. Account for any real or personal property acquired with Federal funds or received from ETA. See Objective 2.c: Property Management regarding disposition of Federally-funded real and personal property.
  - Complete all closeout actions for Federal awards no later than one year after receipt and acceptance of all required final reports, if applicable, in the capacity of a pass-through entity (PTE).

- Review the pass-through entity'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 DOL may take on regarding a grant award; or that a pass-through entity may take on a subrecipient. Closeout does not affect the following: 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 DOL is required to follow the Grants Oversight and New Efficiency Act (GONE Act), signed into Public Law 114-117 on January 28, 2016. DOL must close out grants within two years from the expiration of the grant's period of performance. Therefore, it is imperative that the PTEs and grant recipients have timely grant closeout policies and procedures.

- During review of the subaward closeout, ensure the grant recipient addresses all subrecipients' records that are related to the Federal award. Also, in the event that a subrecipient cannot meet these requirements, the grant recipient must properly maintain grant records. The grant recipient's procedures should include a request and transfer of the subrecipient's records if applicable.

Questions for Review and Discussion

1. Does the grant recipient 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 recipient have a procedure in place to accurately accrue costs at the end of the period of performance and liquidate those accruals during the 90-day closeout period? How does the grant recipient ensure and accurately reports accrued costs on the final ETA-9130 Financial Report and liquidates those accruals prior to submitting the closeout ETA-9130 Financial Report?
3. Does the PTE have closeout procedures for subawards? If so, do they address the following?
   - ❑ Property and supply disposition?
   - ❑ Final payment?
   - ❑ Prepaid costs?
   - ❑ Final deliverable of performance outcomes?
   - ❑ Post-closeout adjustments?
4. Does the PTE incorporate appropriate terms and conditions in subawards concerning closeout requirements?
5. Are subrecipients made aware of and compliant with the records access and retention requirements of the grant?
6. Has the PTE addressed if the subrecipient records, pertinent to the grant project, will be retained by the subrecipient or transferred to the PTE for the duration of the applicable retention period?

Notes:

Objective 2.b: Budget

The grant recipient 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.

(C) Indicator 2.b.1: Budget Controls

The grant recipient 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 2 CFR 200.308

Instructions:

- Interview the staff primarily responsible for the budget.
- Review the grant recipient'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 vs. actual" analysis. The standards state that the financial system must provide for "comparison of expenditure with budget amounts for each Federal award." This financial standard applies equally to formula grant recipients and competitive awardees. Prior approval authority has been granted to Governors for formula grants, but the provisions remain in effect for all awardees.

Questions for Review and Discussion

1. How does the grant recipient know when a budget modification is required, including the allowable budget line-item flexibility?
2. Are managers and program staff regularly informed of changes in the budget or given routine updates comparing budgeted items to actual costs?
3. Does the grant recipient have a process to review budget versus actual expenditures?
4. What is the frequency of the organization performing a budget-to-actual expenditure analysis?

Notes:

Use the Tool E: Budget Comparison Tool to assist with this indicator.

Objective 2.b: Budget

(C) Indicator 2.b.2: Budget Modifications

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

Citation: 2 CFR 200.308, 2 CFR 200.407, 2 CFR 2900.9-2900.12, 20 CFR 683.235 and Grant Terms and Conditions

Instructions:

- Interview the staff primarily responsible for modifying the budget.
- Review the grant recipient's last approved budget and the grant's most current budget.

Tips

- **Formula or State grant recipients***:* States have the authority and the flexibility to shift dollar resources among allowable cost categories or budget line items. Unless specified in the grant agreement, for those items requiring prior approval in the Uniform Guidance (e.g., budget realignment), the authority to grant or deny approval is delegated to the Governor for WIOA Youth, Adult, and Dislocated Worker and under the Wagner-Peyser Act. Please refer to the to the grant agreement for further information.
- **Competitive or Discretionary grant recipients**: For grant awards over the Simplified Acquisition Threshold, ETA restricts the transfer of funds among cost categories without prior approval from the Grant Officer. The cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by ETA. The Simplified Acquisition Threshold is set at $150,000 as of 2017. Please refer to the Federal Acquisition Regulation (FAR) for the most updated amount.

Questions for Review and Discussion

1. Does the grant recipient have policies and procedures when grant/project modifications need to be made? Does the mechanism allow for a 30-day notice? Did the grant recipient receive prior approval from the Grant Officer?
2. If the grant award exceeds the Simplified Acquisition Threshold, does the cumulative amount of any transfers exceed or is it expected to exceed 10 percent of the total budget as last approved by ETA?

Notes:

Objective 2.c: Property Management

The grant recipient maintains a property management system in accordance with all prior approval requirements, terms and conditions of the award, and written programmatic policies and procedures.

(C) Indicator 2.c.1: Insurance Coverage

The grant recipient 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 recipient's real property, equipment purchased, or capital improvements that were purchased with grant funds.
- Review the grant recipient'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 Federal award.

Questions for Review and Discussion

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

Notes:

Objective 2.c: Property Management

(C) Indicator 2.c.2: Real Property

The grant recipient 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, and 20 CFR 688.550

Instructions:

- ❑ Verify that the program authorizes the purchase of real property. (Examine the FOA and/or program statue/regulations for guidance.)
- ❑ Review the grant recipient's property management system for proper acquisition, use, and disposition of real property.
- ❑ Review property records including financial statements for the accuracy and accountability of real property.
- ❑ If real property was purchased using grant funds, ensure that the grant recipient received approval from DOL-ETA prior to the purchase of the property.

Tips

- Grant recipients cannot spend grant funds on construction, purchase of facilities or buildings, or other capital expenditures for improvements to land or building, except with the prior written approval of the Secretary. The YouthBuild grants can purchase real property under certain conditions.
- ***Formula or State Grant Recipients (WIOA programs and Wagner-Peyser):*** For 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.
- ***Competitive or Discretionary Grant Recipients (YouthBuild only):*** For costs associated with real property treated in the YouthBuild program, please refer to 20 CFR 688.550 for instructions.
- If the grant recipient 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 to ETA grant funds. Additionally, Reed Act or SESA buildings can no longer charge or amortize their Federally funded properties.

Questions for Review and Discussion

1. Does the grant recipient 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 Youth, Adult, and Dislocated Worker and Wagner-Peyser Act funds grants only, for items that have not been delegated to the Governor for prior approval, did the grant recipient receive prior approval from the Grant Officer or the Secretary prior to performing the action? Grant actions not delegated to the Governor include:

- Disposal of real property
- Disposition or sale of JTPA- and WIA-funded real property

4. If applicable and with the exception of YouthBuild grants, did the grant recipient report the expending of real property proceeds on its ETA-9130 Financial Report (line item 11b – Real Property Proceeds Expended)?

Notes:

Objective 2.c: Property Management

(C) Indicator 2.c.3: Equipment

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

Citation: 2 CFR 200.313

Instructions:

- Review the grant recipient's policies and procedures on purchasing, managing, and disposing of equipment.
  - With the exception of State grant recipients, proceeds from the sale or disposition of equipment purchased with grant funds must follow the Uniform Guidance at 2 CFR 200.313(e).
- Accompany grant recipient personnel to verify the existence and condition of the equipment.

Tips

- ***State or Formula Grant Recipients:*** A State must use, manage, and dispose of equipment in accordance with State laws and procedures.
- ***Competitive or Discretionary Grant Recipients:*** Non-State grant recipients must receive prior approval from the Grant Officer for the purchase of any equipment (tangible personal property), including information technology systems with a per-unit acquisition cost of $5,000 or more, and a useful life of more than one year. The equipment must be used for originally-authorized purpose until funding ceases or the equipment is no longer needed for the grant project.

  As long as the equipment is needed, whether or not the project continues to be supported by the Federal award, the equipment may be retained. When the equipment is no longer needed for the original program or project, it may be used for either other DOL-funded activities or for activities under Federal awards received other than from DOL, including information technology systems.

  With the exception of State grant recipients, proceeds from the sale of equipment purchased with grant funds must follow disposition instructions set forth in the Uniform Guidance at 2 CFR 200.313(e).

  - **Buy American Act (BAA):** By drawing down funds, the grant recipient agrees that it will comply with sections 8301 through 8303 of title 41, United States Code (commonly known as the "Buy American Act").
  - For the purposes of this award, the Buy American Act requires the grant recipient to use, with limited exceptions, only:
    - Unmanufactured articles, materials, and supplies that have been mined or produced in the United States; and
    - Manufactures 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 sell 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 recipient must get prior approval from the Grant Officer. Prior approval is not needed for purchases under the micro-purchase threshold.

- If the grant recipient 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 to ETA grant funds.

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 recipient 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 project that it was acquired for?
4. Are equipment records maintained with the required data elements?
   - ❑ Description of equipment
   - ❑ Serial number
   - ❑ Acquisition cost and date
   - ❑ Percentage of Federal participation in the purchase
   - ❑ Titleholder
   - ❑ Current use, condition, and location
   - ❑ Disposition information
   - ❑ Federal Award Identification Number (FAIN)
   - ❑ Sales price and date of disposition
5. Is a physical inventory of the equipment done and is it 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 recipient have a system in place for disposition of equipment? For non-State grant recipients, does the disposition procedures mirror the disposition instructions outlined in 2 CFR 200.313(e)?
9. Can the grant recipient attest or confirm that it has made efforts where required or applicable to Buy American products or goods?

Notes:

Objective 2.c: Property Management

(C) Indicator 2.c.4: Rental or Leasing Costs for Property

The grant recipient has determined whether or not rental costs for real property and equipment are reasonable.

Citation: 2 CFR 200.465

Instructions:

- Obtain a full listing of all rental property, real and personal property.
- Select from a listing and obtain the lease or rental agreement.
- Verify that the grant recipient performed a purchase versus lease analysis as prescribed in 2 CFR 00.465(c)(5).
- For leases, verify that rental costs under leases are only allowable up to the amount that would be allowed had the grant recipient 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 recipients must take into account:
  - Idle capacity due to fluctuations in workload or program requirements and funding
  - Duration of funding
  - Favorable termination clauses
- **Additional background regarding Capital Leases:** The provisions of GAAP must be used to determine whether a lease is a capital lease. For those considered capital leases, a purchase versus lease analysis must be performed as prescribed in 2 CFR 200.465(c)(5) and that rental costs under leases are only allowable up to the amount that would be allowed had the grant recipient purchased the property on the date the lease agreement was executed.
- Unallowable costs include amounts paid for profit, management fees, and taxes that would not have been incurred had the grant recipient purchased the property.

Questions for Review and Discussion

1. Do the agreements have a schedule of payments and it is 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 recipient make a determination of the best option (leased or purchased)? Was a cost and/or price analysis performed to determine if the grant recipient selected the best option?
3. For “sale and leaseback” arrangements, did the grant recipient sell ETA-owned property and use grant funds to lease it back? If so, this sale and leaseback transaction is considered unallowable to ETA grant funds.

4. Did the grant recipient 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 recipient continued to own the property?
5. Are rental agreements reviewed periodically to determine if circumstances have changed and other options are available?

   Does the grant recipient have any capital leases as prescribed in GAAP? If so, was a purchase versus lease analysis performed? Are rental costs only as much as if the grant recipient were to purchase the personal property?

   Note: *If rental costs more than if the grant recipient would have purchased the personal property on the date the lease of agreement was executed, then the overage would be unallowable to ETA grant funds* [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 recipient have plans to cover the lease's rental payments with non-grant dollars?
7. If the grant recipient has idle facilities or idle capacity that it being charged to the grant, is it:
   - Necessary to meet workload requirements, or
   - Necessary when initially acquired and is 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 to ETA grant funds.*
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 are normal costs of doing business?

   Note: *These costs could be charged as direct or indirect costs to an ETA grant*.

Notes:

Objective 2.c: Property Management

(C) Indicator 2.c.5: Supplies

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

Citation: 2 CFR 200.314

Instructions:

- Review the grant recipient's purchasing policy and procedures on supplies.
- Check that the grant recipient has a system in place to recognize when supplies or equipment are being purchased with Federal funds to ensure that proper prior approval is obtained prior to purchasing.
  - For certain ETA grants, unlike equipment, prior approval is not necessary for the purchasing of supplies.
- Review the policy for procedures on the handling of excess supplies purchased with grant grants after the grant's period of performance ends.

Tips

- A computing device is considered a supply if the acquisition cost is less than the lesser of the capitalization level for the grant recipient or $5,000.
- Upon termination or at the end of the grant's 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 recipient has the option to retain the supplies for use on other activities or sell them. For either option, the grant recipient must compensate the awarding Federal agency for its share.

Questions for Review and Discussion

1. Does the grant recipient have policies and procedures covering supplies?
2. Does the grant recipient need prior approval for purchasing supplies?
3. What procedure does the grant recipient have in place to recognize and differentiate when supplies and equipment are purchased with grant funds?
4. Does the grant recipient have policies and procedures in place to compensate DOL if the residual inventory of unused supplies exceeds $5,000 in total aggregate value upon termination or completion of the grant?

Notes:

Objective 2.c: Property Management

(C) Indicator 2.c.6: Intangible Property

The grant recipient's policies and procedures for the acquisition, management, and disposition of intangible property is sufficient in meeting the requirements of the grant/project.

Citation: 2 CFR 200.315, 2 CFR 2900.13, and Grant Terms and Conditions

Instructions:

- ❑ Review the grant recipient'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 in the Uniform Guidance at 2 CFR 200.59.
- In addition to the guidance set forth in 2 CFR 200.315(d), DOL 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. Unless otherwise specified in the grant agreement, 2 CFR 2900.13 does not apply to State formula programs.

Questions for Review and Discussion

1. Has the grant recipient acquired or developed any intangible property with grant funds?
2. Does the grant recipient 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 recipient 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, did the grant recipient receive disposition instructions from DOL when disposing of the intangible property?

Notes:

Objective 2.d: Procurement and Contract Administration

The grant recipient maintains an adequate procurement/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

States follow the same policies and procedures that it uses for procurement with non-Federal funds. For all other grant recipients, the documented policies and procedures conform to applicable Federal laws and the procurement standards identified in the Uniform Guidance.

Citation: 2 CFR 200.113 and 200.317-326

Instructions:

- Interview key personnel on the process for conducting procurement activities.
- Review the grant recipient's written policies and procedures on procurement and purchasing of goods and services.
- Interview staff from the State central purchasing agency or another appropriate department.
- Examine documentation to determine if the grant recipient verified a potential contractor or subrecipient's status in the debarment or exclusion list maintained by SAM.gov.
- During transaction testing in 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 recipients are required to report certain civil, criminal, or administrative proceedings to the System for Award Management (SAM) of the General Services Administration (GSA). Failure to make required disclosures can result in any of the remedies noncompliance, including suspension or debarment.
- State recipients should follow their own procurement procedures that reflect applicable State laws and regulations, provided that its procurements conform to applicable Federal laws and standards. Refer to Resource A: Selected Definitions and Acronyms for Uniform Guidance definition of State.

Questions for Review and Discussion

1. Does the grant recipient conduct procurement activities in a manner that promotes full and open competition and is not restrictive of competition?
2. Is there a separate procurement/purchasing policy on the following?
   - Micro-purchases
   - Small purchases
   - Sealed bids/ Formal advertising
   - Procurement by competitive proposals
   - Noncompetitive purchases (sole source)

- ❑ Professional and/or qualifications-based services

3. Does the grant recipient maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders?
4. Does the grant recipient maintain a written code of conduct covering conflicts of interest and governing the actions of its employees or Board members engaged in the selection, award, and administration of contracts?
5. Does it include signed and written "Conflict of Interest" statements?
6. Is the grant recipient ensuring that applicants or entities submitting bids and/or proposals are disclosing, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award?
7. Does the grant recipient take affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible?
8. 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, does the grant recipient (and its subrecipients) clearly state the following?
   a. The percentage of the total costs of the program or project which will be financed with Federal money;
   b. The dollar amount of Federal funds for the project or program; and
   c. The 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.*

Notes:

Use the Tool F: Procurement / Purchasing Policy checklist to assist in completing this indicator.

Objective 2.d: Procurement and Contract Administration

(C) Indicator 2.d.2: Competition

The grant recipient performs all procurement transactions in a manner providing full and open competition.

Citation: 2 CFR 200.319

Instructions:

- Interview staff responsible for procurement or, if applicable, interview staff from the State central purchasing agency or department.
- Request a copy of procurement policies and procedures or other written guidelines that are used in the procurement of both goods and services.

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 recipient ensure that it conducts procurement activities in a manner to ensure full and open competition and is not restrictive of competition as listed on 2 CFR 200.319(a)(1-7):
   - Placing unreasonable requirements
   - Requiring unnecessary experience and excessive bonding
   - Noncompetitive pricing practices
   - Noncompetitive contracts to consultants
   - Organizational conflicts of interest
   - Specifying only a "brand name" product instead of allowing "an equal" product to be offered
   - Any arbitrary action on the procurement process
3. Does the grant recipient have noncompetitive procurement (sole source) procedures? For non-State entities, do these procedures conform to the Uniform Guidance at 2 CFR 200.320(f)?
4. For noncompetitive procurement (sole source), are noncompetitive procurement determinations appropriately documented? Does one or more of the circumstances outlined in 2 CFR 200.320(f)(1-4) apply?
   - The item is available only from a single source
   - The public exigency or emergency for the requirement does not permit a delay resulting from competitive solicitation
   - ETA or the PTE expressly authorizes noncompetitive proposals in response to a written request from the grant recipient
   - After solicitation of a number of sources, competition is determined inadequate

Notes:

Objective 2.d: Procurement and Contract Administration

(C) Indicator 2.d.3: Methods of Procurement

The grant recipient uses a method of procurement as prescribed in the Uniform Guidance.

Citation: 2 CFR 200.320

Instructions:

- Obtain a copy of the grant recipient's procurement policy.
- Review the policy to gain an understanding when the different procurement methods are used at various dollars.
  - During the transaction testing in Objective 3.f: Allowable Costs and Cost Classification, review the procurement method used and ensure that it is in accordance with the grant recipient's procurement policy and with regulations.
- Obtain a full listing of all the contracts that the grant recipient has entered into during the grant's period of performance.

Tips

- The Uniform Guidance describes the five methods of procurement:
  - Micro-purchases (less than $3,500*)
  - Small purchases (less than $150,000**),
  - Sealed bid (formal advertising) purchases,
  - Competitive proposal purchases, and
  - Noncompetitive purchases (special circumstances which are applicable for all purchase levels).
- All five procurement types must comply with the General Procurement Standards in the Uniform Guidance at 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 recipient 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 can use the "small purchases" procedures. Small purchases procedures are relatively simple and informal as price or rate quotes are obtained from an adequate number of qualified sources. The grant recipient should use its discretion to determine the "adequate" number of qualified sources (i.e., any number greater than one) and the methods of obtaining the price or rate quotations (e.g., it can be in writing, orally, vendor price list on website, or generated via online search engine). The Uniform Guidance excludes the small purchase method from the cost and/or price analysis requirement.

    **** & **:*** *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).*

Questions for Review and Discussion

1. For the purchase of goods and/or services, did the grant recipient appropriately use one of the procurement methods outlined above?
2. Does the procurement history file demonstrate that it used one of the procurement methods outlined above?
3. Does the file contain enough evidence to support full and open competition?

   Note: *This review of a procurement history file can be done in conjunction with cost testing in Objective 3.f: Allowable Costs and Cost Classification.*

Notes:

Objective 2.d: Procurement and Contract Administration

(C) Indicator 2.d.4: Cost or Price Analysis

The grant recipient performs a cost or price analysis on all procurement action 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 recipient must make independent estimates prior to receiving bids or proposals.

Citation: 2 CFR 200.323

Instructions:

- Review the grant recipient'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 (e.g., 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, which minimizes the risk and responsibility in achieving performance. In addition, WIOA allows for performance-based contracts, specifically WIOA pay-for-performance contract strategy (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 our grant awards. Refer to Grant Terms and Conditions on allowable contract types.
- The Uniform Guidance states that a grant recipient 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.
  - 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 recipient 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, the guidelines on allowable profits apply.

Questions for Review and Discussion

1. From the selection of contracts obtained in the previous indicator, did the grant recipient use a cost/price analysis for contracts in excess of the Simplified Acquisition Threshold? How does the grant recipient use cost/price analysis? 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 (e.g., fixed-price, performance-based, cost reimbursement, etc.)?
3. Are the amounts paid consistent with the terms of the agreement?
4. Does the grant recipient 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? Are performance levels specified and negotiated in the contract met before payment is made?
6. Is profit recognized in whole dollars (not as a percentage of cost) and reasonable in terms of the services rendered or goods provided?
7. Did the grant recipient take into account the following factors to determine the amount of profit to be earned under the contract? Risk factors include:
   - Complexity of work
   - Risk borne by contractor
   - Contractor's investment
   - Amount of subcontracting
   - Record of past performance
   - Industry profit rates in the geographic area for similar work

Notes:

Use Tool G: Procurement History File to assist in completing this indicator.

Objective 2.d: Procurement and Contract Administration

(C) Indicator 2.d.5: Contract Administration

The grant recipient maintains a system for contracts administration. All contracts must contain the applicable provisions described in Appendix II to 2 CFR Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.

Citation: 2 CFR 200.326

Instructions:

- Interview staff persons who are involved or familiar with the procurement and contracting process.
- Review recent contracts and subawards using the following templates to attest to compliance.

Tips

- Refer to the Resource K: Background for Contract Provisions for a listing of applicable contract provisions.
- 2 CFR 200.324 states that the grant recipient and subrecipients must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally takes place prior to the time the specification is incorporated into a solicitation document. However, if the grant recipient desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.
- In certain instances, a grant recipient and or subrecipients may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the grant recipient that it is complying with these standards. The grant recipient must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

Questions for Review and Discussion

1. Does the grant recipient make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates?
2. Are the individual (s) responsible for signing agreement-authorized individuals to properly enter into contracts on behalf of the grant recipient? Are the signatory (ies) authorized to sign on behalf of the organization?
3. Does the grant recipient have a boilerplate contract or subrecipient format?
4. Are the required provisions included?
5. Are the individual(s) designated to be responsible for procurement actions appropriate?
6. How does the grant recipient administer contracts and confirm the terms and conditions of the contract are being met?

7. Does the grant recipient have a process for the closeout of contracts? Does the contract closeout policies and procedures address the following:
   - ❑ Final payment?
   - ❑ Final deliverable of good and/or service?
8. Examine contracts and confirm that they contain the essential elements of a legally executed and binding written agreement as specified in contract law, which must contain at a minimum the following in writing:
   - ❑ Offer
   - ❑ Acceptance
   - ❑ Consideration
   - ❑ Authorized purpose
   - ❑ Authorized officials
9. The contract should include a specified SOW that outlines the goods or services being rendered in consideration or specified payments. The contract should specify the period of performance or the start and end date of the contract and the total amount of the contract should also be specified. Review the contract for the following:
   - ❑ Authorized Officials and Purpose. Authorized officials are persons authorized to enter into and sign legally binding agreements and must be on record as the signatory official. Signatures of the both parties to the contract must be evident and part of the written contract.
   - ❑ Additional contractual terms and conditions. Contracts must include such standard terms and conditions that are required by the Federal agency as national, State, or local policy requirements. Please refer to the terms in the grant agreement and Appendix II to 2 CFR Part 200.
10. How does the grant recipient maintain records sufficient to detail the history of the procurement? Include:
    - ❑ Rationale for the method of procurement
    - ❑ Selection of contract type
    - ❑ Basis for contractor selection or rejection
    - ❑ Basis for contract price

Notes:

Use Tool I: Contract Review Checklist and Tool H: Subaward Review Worksheet to assist in completing this indicator.

Objective 2.e: Performance Management

The grant recipient 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 recipient adheres to OMB reporting package requirements for the grant awards 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: 2 CFR 200.328(b)(1) and Grant Terms and Conditions

Instructions:

- Examine the grant recipient's most recently available performance reports.
- Compare actual performance with planned performance from the beginning of the grant period through the most recent quarter for each type of performance outcome identified in the grant.

Tips

- Performance outcomes are the end results that the grant is expected to accomplish. These could include the number or percentage of persons placed into jobs, the amount or percentage of earnings gained as a result of participation in the program, the number or percentage of persons who retained their jobs for an extended period of time, the number or percentage of persons receiving a credential or diploma as a result of training, etc.
- Visit DOL - Performance Reporting webpage for Performance Reporting policy guidance, questions and answers, training tutorials, timelines, and links to reporting formats for the Workforce Innovation and Opportunity Act, Wagner-Peyser, Jobs for Veterans Act, National Farmworker Jobs Program, Trade Adjustment Assistance, and other ETA-funded programs.

Questions for Review and Discussion

1. Does the grant recipient have a process in place to properly identify, collect, record, validate, and report the performance data required in the OMB-approved reporting package for the grant award?
2. Does the grant recipient collect all the required grant project data elements?
3. Are grant staff responsible for Management Information System (MIS) data collection and reporting properly trained on the grant's performance reporting requirements, performance outcome definitions, and effective use of the MIS?
4. Have performance reports been submitted on a timely basis?
5. Is the data in the most recently submitted performance report accurate based on the actual activities and related results of the project for the period?
6. Does the most recently submitted narrative report accurately reflect the current status of the project for the period, including, if applicable, reasons why established goals were not met and/or additional pertinent information including analysis of financial performance is missing?

Objective 2.e: Performance Management

(C) Indicator 2.e.2: Progress Monitoring

The grant recipient has a performance monitoring tool that compares planned to actual results, identifies causes of low performance, establishes corrective action plans, and focuses on continuous improvement through regular review and analysis of relevant performance data.

Citation: 2 CFR 200.328(b)(2)(i)

Instructions:

- Review the grant recipient's progress to date in meetings its goals and/or objectives 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.
  - Perform the same analysis of other service goals that are identified in the grant.
  - If the grant is producing a product rather than providing services to individuals, compare work completed to date with the product goals identified in the grant's implementation plan.

Tips

- For competitively issued grants, please refer to the Grant Recipient Handbook on more information on monitoring a grant's performance progress. Click here for the Grantee Handbook.

Questions for Review and Discussion

1. Does the grant recipient have a grant-specific monitoring tool or guide to assess compliance with award requirements and compare planned project performance to actual performance?
2. Does the grant recipient compare a plan versus actual for programmatic and financial results for the current period?
3. Are the results of the monitoring activity documented and utilized for continuous improvement of the grant program?
4. How does the grant recipient use financial and performance data to improve the grant program?
5. Does the grant recipient identify challenges and take corrective action? How are challenges and efforts to correct them communicated to ETA?
6. What corrective actions have been taken by the grant recipient to address current and past challenges?

Notes:

Objective 2.f: Subrecipient Management & Oversight

If applicable and as a pass-through entity (PTE), the grant recipient 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 recipient, when acting as a pass-through entity (PTE), has determined whether each agreement cast the party in the role as a subrecipient or contractor.

Citation: 2 CFR 200.330 (a)-(b) and 2 CFR 200.331(a)

Instructions:

- ❑ Interview key personnel to understand the relationship between the PTE and the subrecipient or contractor.

Tips

- It is important to understand the distinctions between subrecipient and contractor. A subaward is an award to a subrecipient and the term applies only to the relationship between the PTE (direct grant recipient) and the subrecipient. A contract, on the other hand, is not a subaward, but rather a procurement of goods or services from a contractor. Under the Uniform Guidance, the PTE is responsible for the actions of its subrecipients as the subrecipient is acting on behalf of and, as an agent of the PTE, is carrying out part of a Federal program.
- The PTE is required to make case-by-case determinations as to whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. Below is a list of characteristics that would determine if the party is a subrecipient or a contractor.

Subrecipient	Contractor
❑ Determines who is eligible to receive what Federal assistance	❑ Provides similar goods or services to many different purchasers
❑ Performance is measured by whether objectives of Federal program are met	❑ Provides the goods and services within normal business operations
❑ Has responsibility for programmatic decision making	❑ Provides goods or services that are ancillary to the operation of the Federal program
❑ Responsible for adhering to applicable Federal program requirements	❑ Not subject to the compliance requirements of the Federal program
❑ Uses Federal funds to carry out a program for a public purpose	❑ Provides goods and services for the grant recipient's own use, creating a procurement relationship
❑ Funded by a subaward	❑ Funded by a procurement contract

Questions for Review and Discussion

1. Has the PTE correctly identified each third-party as a subrecipient or a contractor?
2. Does the PTE's understand the two roles is in accordance with the Uniform Guidance?

Objective 2.f: Subrecipient Management & Oversight

(C) Indicator 2.f.2: Pre-Award Risk Analysis

The grant recipient, when acting as a PTE, must identify requirements and methods to conduct a risk assessment and select subrecipients.

Citation: 2 CFR 200.205, 2 CFR 200.207, 2 CFR 200.213, 2 CFR 200.318, 2 CFR 200.331, 2CFR 2900.3, and TEGL 2-12

Instructions:

- ❑ Review the PTE's written procedures for the selection of subrecipients, including factors that are used to evaluate service providers prior to giving them a subaward.
- ❑ Review the PTE's required conflict of interest provisions. Discover if any specific award conditions were imposed by the PTE.

Tips

- ◆ The System for Award Management (SAM) is a Federal awards system (managed by the GSA), for reporting on the performance and integrity of recipients of Federal awards. 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 recipient, acting as a PTE, evaluates each 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 risk-based approach include?
   - ❑ Financial stability
   - ❑ Quality of management systems and ability to meet management standards
   - ❑ History of performance
   - ❑ Reports and findings from audit performed under Subpart F – Audit Requirements
   - ❑ Ability to effectively implement statutory, regulatory, and other requirements
   - ❑ Findings and questioned costs from past monitoring reports
4. As a result of the review of risk posed by potential subrecipients, did the PTE place any specific awards conditions as described in 2 CFR 200.207?
5. Does the PTE have procedures in place to check if the subawardee/subrecipient is not debarred or a suspended party prior to making a subaward?
6. Did the PTE check SAM.gov to ensure that contractors and/or subrecipients are not disbarred or suspended from receiving Federal funds?
7. Does the grant recipient have procedures to report allegations of fraud, program abuse or criminal conduct involving subrecipients receiving Federal funds either directly or indirectly from ETA?

Notes: Use Tool S: Risk Assessment to assist in completing this indicator.

Objective 2.f: Subrecipient Management & Oversight

(C) Indicator 2.f.3: Post Subaward Responsibilities

The grant recipient, when acting as a PTE, must ensure that all applicable records management requirements are observed by subrecipients.

Citation: 2 CFR 200.331, 2 CFR 200.333, and 2 CFR 200.338

Instructions:

- Interview key personnel to gain an understanding how the PTE performs the following additional duties with its subrecipient(s) outlined in additional subsections below.

Tips

- PTEs have additional responsibilities, as it is important to emphasize that a subrecipient carries out an integral part of the Federal program on behalf of the PTE. The subrecipient 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, subrecipients must also comply with all of the rules and requirements that apply to the grant recipient's use of Federal funds.

Questions for Review and Discussion

1. Are subawards clearly identified as subawards? If the PTE clearly identified the subaward as a subrecipient, then it must contain all required items of information:
   - Federal Award Identification
   - Subrecipient Name (which must match the name associated with its unique entity identifier)
   - Subrecipient's Unique Entity Identifier
   - Federal Award Identification Number (FAIN)
   - Federal award date of award to the recipient by the Federal agency
   - Subaward period of performance start and end date
   - Amount of federal funds obligated by the subaward
   - Total amount of federal funds obligated to the subrecipient by the pass-through entity
   - Total amount of the Federal award committed to the subrecipient by the pass-through entity
   - Federal award project description
   - Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity
   - Catalog of Federal Domestic Assistance (CFDA) number and name; the PTE must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement
   - Indirect cost rate for the Federal award (including if the de minimis rate is charged)
2. For PTEs that are not authorized under WIOA or Wagner-Peyser, subrecipients may not be authorized to earn profit. Is the subrecipient earning profit?
3. Does the PTE provide technical assistance to the subrecipient in a timely matter?
4. Does the PTE's subrecipient has budget controls in place to ensure allowability of costs and analysis of results?

5. Does the PTE require the subrecipient to submit timely modifications prior to grant actions?
6. Did the PTE ensure that the subrecipient has systems in place to track and report performance and financial data?
7. Does the PTE receive this information timely so that it can report up to the Federal awarding agency on time?
8. Does the PTE review subrecipient costs to verify if they are reasonable, necessary, allowable, and allocable?
9. Does subrecipients submit to the PTE all financial reports using an accrual basis?
10. Does the PTE collect information from the subrecipients that align with the reporting data fields all contained on the ETA-9130 Financial Report (e.g. program income, recipient share, other Federal funds expended, etc.)?
11. Has the PTE identified any of its subrecipients as being noncompliant with Federal statutes, regulations, or the terms and conditions of the Federal award or subaward? If so, did the PTE enforce additional actions to remedy noncompliance?
12. Does the PTE have policies and procedures surrounding noncompliance for its subrecipients that includes actions as outlined in 2 CFR 200.338(a-f):
    - Temporarily withhold cash payments pending correction of the deficiency by the subrecipient or more severe action by the PTE
    - Disallow all or part of the cost of the activity or action not in compliance
    - Wholly or partly suspend or terminate the subaward
    - Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and DOL regulations
    - Withhold further subawards for the project or program
    - Take other remedies that may be legally available
13. If the PTE decided to terminate the subaward early, were the actions outlined in 2 CFR 200.339 and 200.340 followed?

Notes:

Objective 2.f: Subrecipient Management & Oversight

(C) Indicator 2.f.4: Subrecipient Monitoring

The grant recipient, when acting as a PTE, has implemented a process to perform monitoring of subrecipients and issuing reports on monitoring findings. In addition, the PTE has a process to resolve compliance findings in a timely and effective manner.

Citation: 2 CFR 200.331 and 20 CFR 683.410(b)

Instructions:

- Interview staff responsible for monitoring subrecipients to understand the implementation of the policies and procedures surrounding subrecipient monitoring and oversight.
- Evaluate each subrecipient's risk of noncompliance to determine the appropriate subrecipient monitoring. Note that both the Uniform Guidance and WIOA contain requirements for monitoring subawards of Federal funds.

Tips

- For Wagner-Peyser and WIOA formula grants under WIOA secs. 128 and 133, the Governor is responsible for developing the State monitoring system and must provide a process for the following:
  - Monitoring on-site local areas' compliance with the Uniform Guidance on an annual basis
  - Achieving substantial compliance with WIOA and Wagner-Peyser Act requirements
  - Ensure compliance with the EO requirements of WIOA sec. 188
  - Carrying out monitoring and oversight of activities for services to youth, adults, and dislocated workers under WIOA title I
- Pass-through entities must monitor subrecipients to ensure that the subaward is:
  - Used for authorized purposes
  - In compliance with Federal statutes, regulations, and the terms and conditions of the subaward
  - Subaward performance goals are achieved

Questions for Review and Discussion

1. Does the PTE have policies and procedures, tools and guides, and resources and methods in place for monitoring and oversight?
2. Does the PTE perform required monitoring of the subrecipient to ensure the award is used for authorized purposes?
3. For WIOA formula and Wagner-Peyser Act grants, does the PTE monitor subawards of Federal funds in accordance to WIOA statute?
4. Have staff members who are responsible for subrecipient monitoring received training?
5. Are monitoring reports issued by the PTE and do they contain corrective action plans for issues/ findings identified?
6. How are corrective actions plans for issues/findings resolved?
7. Does the PTE have a consistent approach to communicate information to subrecipients about findings, concerns, and observations?

8. Does the PTE have a process to manage subrecipient responses to monitoring report compliance findings and a timely resolution process?

Notes:

Use Tool J: Subrecipient Monitoring Reports Worksheet to assist in completing this indicator.

Objective 2.g: Records Management

The grant recipient 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 recipient has an appropriate policy and procedure for the retention of records pertinent to the Federal award that meets the requirements of applicable Federal laws, regulations, or grant agreement purposes.

Citation: 2 CFR 200.333

Instructions:

- ❑ Interview staff responsible for record retention.
- ❑ Review the grant recipient's record retention and access policy.

Tips

- In accordance with the May 2013 Executive Order - Making Open and Machine Readable the New Default for Government Information, the grant recipient, whenever practicable, must collect, transmit, and store Federal award-related information in open and machine-readable formats rather than in closed formats or on paper.
- Financial records, supporting documents, statistical records, and all other records pertinent to a Federal award must be retained for a period of three years from the date the final expenditure report was submitted (regardless if the documents are from the grant recipient or the subrecipient).
- There are situations that may extend the standard three-year record retention period and some specific types of records have their own record retention period-triggering activities. Some exceptions to the regular retention period includes: written notification to extend, litigation, claim, audit, monitoring, real property and equipment, records transfer, indirect cost records, and WIOA title I complaints. Please review 2 CFR 200.333 in the Uniform Guidance and 29 CFR Part 38 in detail for record retention requirements.
- Refer to Resource L: Retention of Records Table for more information.

Questions for Review and Discussion

1. Has the grant recipient properly identified all financial records, supporting documents, statistical records, and all other records pertinent to the Federal award that must be retained?
2. Does the grant recipient have record retention policies that meet the requirements of applicable Federal laws and regulations?
3. Has a record retention schedule been established for the grant records with appropriate dates when records are no longer subject to retention?
4. Does the grant recipient have a designated staff person with custodian of record duties?
5. If records are in an electronic medium, is the medium likely to be outdated in three years and not accessible?

Objective 2.g: Records Management

(C) Indicator 2.g.2: Accessibility

The grant recipient must maintain accessible records for the purposes of audits, examinations, excerpts, and transcripts. This includes making personnel available for interviews and discussions related to grant records.

Citation: 2 CFR 200.336

Instructions:

- ❑ Interview staff responsible for record access.
- ❑ Review the grant recipient's record retention and access policy.

Tips

- DOL, the DOL Inspector General, the Comptroller General of the United States, the PTE, 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 grant recipient that are pertinent to the Federal award to make audits, monitoring reviews, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the grant recipient's personnel for interviews and discussions related to such documents.
- For WIOA title I grant recipients, the Director at the Office for Civil Rights has the same rights of access described per the requirements of 29 CFR Part 38.

Questions for Review and Discussion

1. Are grant records accessible and available for timely review by authorized officials and representatives?
2. Are personnel responsible for the creation, maintenance, and retention of records available for interview upon request?

Notes:

Objective 2.g: Records Management

(C) Indicator 2.g.3: Protected Personally Identifiable Information

The grant recipient takes reasonable measures to safeguard protected personally identifiable information and other information that is deemed sensitive or confidential according to applicable privacy laws and obligations of confidentiality.

Citation: 2 CFR 200.303, 2 CFR 200.337, TEGL 39-11, and Grant Terms and Conditions

Instructions:

- ❑ Review the grant recipient's protected PII policies and procedures to ensure that there are enough safeguards in place to protect all participants protected PII.

Tips

- ◆ The grant recipient's record retention and access policy and procedure must contain internal controls to mitigate the possibility of unauthorized access to PII, whether such records are paper or electronic. These controls must prevent the release of information that would allow the identification of an individual. A grant recipient may not limit public access to records that are pertinent to a Federal award (e.g., financial, performance, etc.), however, the public does not have access to protected PII.

Questions for Review and Discussion

1. Does the grant recipient have reasonable internal controls in place and in effect to safeguard protected PII consistent with the requirements of the grant award?
2. Does the grant recipient appropriately secure sensitive and confidential information collected and retained for the purposes of the grant award, including restricted access limited to necessary personnel?

Notes:

Objective 2.g: Records Management

(C) Indicator 2.g.4: Custody and Transfer

The grant recipient's record retention policy has safeguards to ensure the maintenance and custody of grant records under various circumstances.

Citation: 2 CFR 200.334 and 2 CFR 2900.18

Instructions:

- Review the grant recipient's record retention and maintenance policy to ensure that there are procedures regarding the custody and transfer of grant records.

Tips

- DOL-ETA allows for contingency provisions at 2 CFR 2900.18 for record retention records and transfer of records. The grant recipient 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 the records should be transferred to the grant recipient?
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 its subrecipient's records as directed by ETA after the grant's period of performance?
4. Does the grant recipient have procedures in place to set aside grant funds for record retention activities subsequent to the grant's period of performance?

Notes:

Objective 2.h: Personnel

The grant recipient's management and staffing are aligned with the SOW, State Plan, or project plan and designed to assure responsible and ethical management of the grant/project.

(C) Indicator 2.h.1: Personnel Policy and Procedures

The grant recipient has a current written personnel policy (including hiring process and procedures) that meets the requirements of applicable Federal laws and regulations on file and enforces it.

Citation: 2 CFR 200.430(a)(1)-(2)

Instructions:

- ❑ Review the personnel policy of the grant recipient organization.
- ❑ Interview the staff responsible for personnel or human resources for the organization.
- ❑ Review the personnel policy of the grant recipient organization.
- ❑ Review a listing of the grant recipient's job openings for the past 12 months.

Questions for Review and Discussion

1. Are the policies and practices reasonable for the services rendered and do they conform to the established written policy of the grant recipient consistently applied to both Federal and non-Federal activities?
2. Do policies and practices appear to be reasonable and in compliance with applicable local and Federal laws and regulations governing employment?
3. Do records indicate that hiring procedures were conducted according to the grant recipient's personnel policy?
4. Are the policy and practices reasonable for the services rendered and conforms to the established written policy of the grant recipient consistently applied to both Federal and non-Federal activities?
5. Does the "EO (Equal Opportunity) Is the Law" notice provide contact information for the grant recipient's EO officers, an overview of the discrimination complaint process, and how complaints may be filed?
6. Does the grant recipient have a written discrimination complaint procedure? If so, is the policy in compliance with applicable Federal laws and regulations?

Notes:

Objective 2.h: Personnel

(C) Indicator 2.h.2: Staff Positions

The grant recipient staff positions with responsible individuals.

Citation: 2 CFR 200.113, 2 CFR 200.427, TEGL 2-12, and 20 CFR 683.620

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's insurance policy. Are appropriate grant staff properly insured and bonded? If not, is the grant recipient conducting background or qualification checks (e.g., past employment records, criminal activity)?
3. For persons working on the grant, has the grant recipient confirmed and disclosed in a timely manner, in writing, to the Federal awarding agency all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award?

Notes:

Objective 2.h: Personnel

(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: 2 CFR 200.430(b), Public Laws 109-234, 109-149, and TEGL 5-06

Instructions:

- ❑ Interview the executive staff person responsible for the direction and management of the organization.
- ❑ Obtain a list of personnel charging time to the grant (full-time and partial time).

Tips

- In compliance with Public Law No. 111-117 (Division D, Sec. 107): "None of the funds appropriated in the Act under the heading 'Employment and Training' 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 Executive Level II. This limitation shall not apply to vendors providing goods and services as defined in Office of Management and Budget (OMB) Circular A-133."

  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.*

- "Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account 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 Federal programs involved including ETA programs."
- Reviewers can find current - Executive Level II salary rates.
- In addition, the Federal Funding Accountability and Transparency Act requires additional reporting of compensation pages on the Federal Subaward Reporting System (FSRS). In accordance with FSRS instructions, it collects data from the Federal prime awardees on subawards they make. A prime grant awardee is required to report on its subgrants, and a prime contract awardee is required to report on its subcontracts. Consortium agreements may be considered subawards. See FSRS for full reporting requirements.

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 the Board, if applicable), and validate the compensation packages for each. 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 this grant/project? See Objective 3.g: Cost Allocation/ Indirect Costs.

5. For competitive awardees only, are current project staffing patterns and salaries in accordance with the number of positions and salaries approved in the grant agreement? If there are deviations, have they been approved by the Grant Officer?
6. For competitive awardees only, if there are deviations in both salary structure and the number of positions funded, has the grant recipient notified ETA of these changes? If required, has the grant recipient requested a budget modification?
7. For funds appropriated under ETA appropriations only, 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?
8. Did the grant recipient properly report highly compensated employees in the FSRS.gov database? Did the grant recipient provide proof?

Notes:

Use Tool R: Documentation of Personal Services to assist in completing the indicator.

Objective 2.h: Personnel

(E) Indicator 2.h.4: Organizational Chart

Grant staff and job descriptions are sufficient to perform grant functions and implement the grant's SOW.

Instructions:

- ❑ Interview the executive staff person responsible for the direction and management of the grant.
- ❑ Review the grant recipient's organizational chart.

Questions for Review and Discussion

1. Is the grant's organization chart up to date?
2. Does the organizational chart present a staffing structure that provides capacity for the key functions?
3. Are there any gaps evident in the grant recipient's management and staffing structure?
4. Review job descriptions for one or two primary staff responsible for performing key grant functions. Do the job descriptions delineate responsibilities, duties, and required experience, skills, and qualifications that clearly describe the expectations and requirements of the positions in order to provide grant recipient organization capacity in these key functional areas?
5. If the grant contains specific staffing requirements, review a written description of the current staffing pattern and compare this information with staffing patterns as described in the grant agreement. Are the current project's staffing patterns in accordance with the grant agreement? If there are deviations, how are they being addressed?

Notes:

Objective 2.i: Civil Rights, Complaints, Grievances & Incident Reporting

The grant recipient has a system in place to ensure the 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 the grant recipient's compliance and commitment to the requirements of applicable civil rights laws and regulations.

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; 2 CFR 2900.4; 29 CFR Part 31; 29 CFR Part 32; 29 CFR Part 35; 29 CFR Part 37; 29 CFR Part 38; and 49 CFR Part 25

Instructions:

There are three types of allegations:

- discrimination
- program related complaints and grievances
- fraud or other forms of criminal misconduct

Each type has its own unique requirements and actions that the grant recipient must take.

- Discrimination. Interview the grant recipient's EO officer and/or staff assigned 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
  - 2 CFR 2900.4
  - 29 CFR Part 31
  - 29 CFR Part 32
  - 29 CFR Part 35
  - 29 CFR Part 38
  - 49 CFR Part 25

The rule states that discrimination on the basis of transgender status, gender identity, or sex stereotyping are forms of sex discrimination, in accord with similar developments under other civil rights laws.

- Program related complaints and grievances. Interview the grant recipient's EO officer and/or staff assigned responsibility for ensuring the organization's compliance with the following requirements:
  - WIOA sec. 181
  - 20 CFR 683.600 and 683.610
  - 20 CFR Part 658 for Wagner Peyser
- Fraud and other forms of criminal misconduct. Interview the grant recipient's EO officer and/or staff assigned responsibility for ensuring the organization's compliance with the following requirements:

- 20 CFR 683.620
- TEGL 2-12: Employment and Training Administration (ETA) Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct

Policies and forms distributed by the grant recipient and its subrecipients must refer to the new regulations at 29 CFR Part 38 and where applicable 20 CFR 683.600-683.650 and/or 20 CFR part 658.

Tips

- An essential element of the workforce development system is its accessibility to everyone. The regulations at 29 CFR Part 37 were released in 1999 and updated in 2016. Entities connected to the workforce development system may be recipients for purposes of WIOA sec. 188 and the **Equal Opportunity Regulations** Final Rule at 29 CFR Part 38 (updated in 2016 and became effective January 3, 2017) if they do not receive assistance in the form of money. The Final Rule may be found at DOL's Civil Rights Center homepage.
- The Final Rule provides examples and further explanation. These programs or activities 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.
- A grant recipient's compliance with 29 CFR Part 38 satisfies any obligation of the recipient to comply with 29 CFR Part 31. Title 29 CFR Part 32, Subpart B and Subpart C, the Department's regulations which implement the requirements of Section 504 pertaining to employment practices and employment-related training, program accessibility, and reasonable accommodation, are incorporated into 29 CFR Part 38 by reference; however, the grant recipient must still comply with all the requirements in 29 CFR Part 32 as well as the requirements listed in 29 CFR Part 38.
- Additionally, complaints and grievances reporting and management are required for all title I WIOA grant recipients, direct grant recipients and subrecipients and may be found at Subpart F of the WIOA Administrative Provisions from 20 CFR 683.600-683.650 and 20 CFR Part 658.
- Incident reporting is required of all of all grant recipients as specified in TEGL 2-12 and all title I WIOA grant recipients at 20 CFR 683.620.

Questions for Review and Discussion

1. Does the grant recipient have a written discrimination complaint procedure? Are services provided at the grant recipient's office(s) accessible to eligible individuals?
2. Does the grant recipient use wording required by 29 CFR 38.34 in publications, materials, and brochures?

   Note: *Recipients must indicate that the WIOA 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."*
3. Does the grant recipient have a system for periodically monitoring its compliance with the EO law?
4. Does the grant recipient prominently post an "EO Is the Law" notice with wording mirroring 29 CFR 38.35?
5. Does the grant recipient 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 these cases.

Objective 2.i: Civil Rights, Complaints, Grievances & Incident Reporting

(C/E) Indicator 2.i.2: Notices

Notices (in languages appropriate to the populations served) are visibly posted to inform staff, project participants, and service providers of the discrimination complaint process, EO, and Section 504 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; 2 CFR 2900.4; 29 CFR Part 31; 29 CFR Part 32; 29 CFR Part 35; 29 CFR Part 37; 29 CFR Part 38; and 49 CFR Part 25

Instructions:

- ❑ Do a walkthrough of the grant recipient's office and observe the notices that the grant recipient has posted to inform individuals of their rights related to complaints regarding compliance with EO and Section 504.

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 recipient 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 recipient contain a statement providing the required written EO notice?

Notes:

Objective 2.i: Civil Rights, Complaints, Grievances & Incident Reporting

(C) Indicator 2.i.3: Facilities

The grant recipient's location and facility, or part of the facility, is physically accessible to and usable by people with disabilities, individuals with limited English proficiency, transgender individuals who may face various forms of sex discrimination, and individuals who are pregnant, have had a child or have related medical conditions.

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; 2 CFR 2900.4; 29 CFR Part 31; 29 CFR Part 32; 29 CFR Part 35; 29 CFR Part 37; 29 CFR Part 38; and 49 CFR Part 25

Instructions:

- ❑ Do a walkthrough of the grant recipient's office(s) and make observations of the location.

Tips

- Facilities for workforce programs or programs required to adhere to 29 CFR Part 38 must ensure and enhance access to the system, in particular for people with disabilities, individuals with limited English proficiency, transgender 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 DOL-ODEP webpage.

Questions for Review and Discussion

1. Does the location and facility meet physical access requirements?
2. Are services provided at the grant recipient's office(s) accessible to handicapped individuals?
3. Does the location and facility meet the requirements for individuals with limited English proficiency?
4. Does the location and facility meet 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, is such costs being shared by the grant recipient?

Notes:

Objective 2.i: Civil Rights, Complaints, Grievances & Incident Reporting

(C) Indicator 2.i.4: Grievance and Complaint System

If ETA has imposed additional specific award conditions on the grant recipient, the grant recipient is adhering to them

Citation: WIOA sec. 188, 20 CFR 683.600-683.650, 20 CFR Part 658, 20 CFR 683.700, and Grant Terms and Conditions

Instructions:

- ❑ Review the grant recipient's complaint and appeal process.
- ❑ Review recent complaints and grievances.

Questions for Review and Discussion

1. Does the grant recipient have a written procedure for grievances or complaints alleging violations of the WIOA? If the grant recipient has a state-wide EO office, obtain written grievance or compliant procedure form that office.
2. Does the policy address the following?
   - ❑ Informing participants and other interested parties of the process and their acknowledgement of receipt of this information.
   - ❑ Acknowledging receipt of a complaint. The recipient should notify the complainant as soon as possible that the complaint was received, and that it will be handled in accordance with established procedures and timeframes. The recipient should also notify the complainant what additional information is needed (if applicable) and identify the next step in the process and when that will take place.
   - ❑ Written notice of final resolution. After the complaint has been investigated, a written decision must be issued and provided to both parties. This information must include the allegation and issues, a statement of the facts, conclusion drawn, and basis for the conclusion. The complainant must be informed in writing of the final decision and resolution of the complaint.
   - ❑ Appeal rights and procedures. The notice of final resolution must provide complete information on the process and timeframe for the complainant to appeal the decision if they disagree with it.
3. Does the grant recipient have a process to provide information on these procedures to participants and other interested or affected parties, including One-Stop partners and service providers?
4. Does the grant recipient ensure that the information is understood by affected individuals including youth and those whose spoken English is limited?
5. The review of recent complaints and /or grievances were resolved in a timely manner and consistent with policy and/or State policy?
6. Does the policy and procedures provide for an opportunity for informal resolution and hearing to be completed within 60 days of date of filing? Did the grant recipient adhere to the 120 days deadline for appeals?

   Note: *Just as with the other complaint resolution processes discussed above, direct recipients must meet the same timeframes to provide the opportunity for informal resolution and hearing to be completed within 60 days from date of filing.*

Objective 2.i: Civil Rights, Complaints, Grievances & Incident Reporting

(C) Indicator 2.i.5: Incident Reporting

The grant recipient has a formal procedure in place for timely submission of incident reports.

Citation: TEGL 2-12 and 20 CFR 683.620, 2 CFR 200.331(a)(5), 2 CFR 200.333, 2 CFR 200.343, and 2 CFR 2900.15

Instructions:

- ❑ Review the incident reporting policy.

Tips:

- The Uniform Guidance establishes a mandatory disclosure requirement for grant recipients and subrecipients to disclose in writing to the Federal awarding agency or pass-through entity 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
  - Other criminal activities
- TEGL 2-12 describes fraud and the various "feasances" (misfeasance, nonfeasance, and malfeasance) as follows: Any alleged deliberate act which may violate federal statutes or regulations. It includes but is 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 recipient aware of any incident described above and were these allegations immediately reported through the DOL incident reporting system?

   Note: *The grant recipient is not expected to be able to determine whether the allegations or suspicions are true or not before reporting them to the OIG. The grant recipient is not allowed to delay reporting such allegations or suspicions. The grant recipient must report, in addition to explicit allegations of criminal wrongdoing, all complaints that raise questions about criminal wrongdoing or even what suspicions of such wrongdoing. It is the grant recipient's responsibility to report these events, and not determine whether they are true or not.*

2. Did the grant recipient document and report these incidents consistent with form DL 1-156 and submitting them to OIG and ETA?

   Note: *When the threat is immediately imminent or involves a substantial amount of funds, you must report this to OIG even more quickly. 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 report may be filed through the DOL Hotline - Office of Inspector General 1-800-347-3756 or 202-693-6999.*

CORE ACTVITY 3 ◆ FINANCIAL MANAGEMENT

Core Activity 3 addresses the financial management systems and functions used by the grant recipient to administer the grant/project in a manner that promotes transparency and accountability and is in compliance with the requirements outlined in the award.

INTRODUCTION

The purpose of Core Activity 3 is to assess the financial management systems and functions employed by the grant recipient to administer the grant/project in a manner that promotes accountability and transparency and is in compliance with the requirements outlined in the award.

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 laws, regulations, and policies.

Objective 3.b: Accounting System and Financial Reporting: An accounting system is in place that allows the grant recipient 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 recipient has a payment and cash management system in place to accurately track the receipt, disbursement and recording of funds between the awarding agency and grant recipient. Such systems should readily track the handling of grant funds to subrecipients, contractors, and participants.

Objective 3.d: Match and Leveraged Resources: If applicable, the grant recipient 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.

Objective 3.e: Program Income: The grant recipient 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.

Objective 3.f: Allowable Costs and Cost Classification: The grant recipient 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 recipient 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 recipient 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 recipient adheres to the single or program-specific audit requirements and has an audit resolution process in place including debt collection for 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 not result in a compliance issue but can develop into one, 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 recipient 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.

- 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, obtain copies of all documents relevant to the Reviewer's findings to share with management in the Regional Office and/or with National Office staff, as appropriate.

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 law, regulations, Uniform Guidance, national policies, Grant Terms and Conditions, ETA policy guidance, and/or the grant agreement. Negative responses to an indicator will lead to a determination of noncompliance. Ensure to collect evidence as adequate documents must support written findings and be contained in the review file.

CORE ACTIVITY 3 – FINANCIAL MANAGEMENT

Summary of Objectives and indicators

Objective 3.a—Internal Controls

Indicator 3.a.1: Effectiveness and Efficiency of Operations
Indicator 3.a.2: Reliability of Reporting for Internal and External Use
Indicator 3.a.3: Compliance with Applicable Laws and Regulations
Indicator 3.a.4: Safeguard on Assets

Objective 3.b—Accounting System and Financial Reporting

Indicator 3.b.1: Basis of Reporting
Indicator 3.b.2: Financial Reporting
Indicator 3.b.3: Subrecipient's Financial Reporting
Indicator 3.b.4: Performance Reports

Objective 3.c—Payment and Cash Management

Indicator 3.c.1: Cash Disbursements
Indicator 3.c.2: Improper Payments
Indicator 3.c.3: Deposit Insurance

Objective 3.d—Match and Leveraged Resources

Indicator 3.d.1: Match Policies and Procedures
Indicator 3.d.2: Expending Match
Indicator 3.d.3: Valuation and Documentation
Indicator 3.d.4: Leveraged Resources

Objective 3.e—Program Income

Indicator 3.e.1: Program Income Policies and Procedures
Indicator 3.e.2: Expending and Documentation

Objective 3.f—Allowable Costs and Cost Classification

Indicator 3.f.1: Cost Principles
Indicator 3.f.2: Financial Management Systems

Objective 3.g—Cost Allocation/Indirect Costs

Indicator 3.g.1: Cost Allocation Principles
Indicator 3.g.2: Cost Allocation Plan
Indicator 3.g.3: Negotiated Indirect Cost Rate Agreements (NICRA)
Indicator 3.g.4: De Minimis

Objective 3.h—Audits and Audit Resolution

Indicator 3.h.1: Audit Process
Indicator 3.h.2: Subrecipient's Audit
Indicator 3.h.3: Report on Internal Controls

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 laws, regulations, and policies.

(C) Indicator 3.a.1: Effectiveness and Efficiency of Operations

The grant recipient has adequate internal controls in place for effective and efficient grant operations.

Citation: 2 CFR 200.61(a), 2 CFR 200.62, 2 CFR 200.302, 2 CFR 200.303(a), 2 CFR 200.400, 2 CFR 200.507, and 2 CFR 200.514

Instructions:

- Interview leadership, such as a Board members, executives, and senior management on the internal control structure in place and used to administer the grant/project.
- Review the grant recipient's control environment, this include its mission statement, personnel handbook, code of conduct policies and any other materials that would address the functions and conduct of employees, management, or Board members..
- Determine frequency of exceptions to policies and/or processes that impact internal controls.

Tips

- Grant recipients and subrecipients are responsible for efficient and effective administration of an award through use of sound management practices; and administering Federal funds in compliance with agreements, program objectives, and the terms and conditions of Federal award as identified in policy guidance at 2 CFR 200.400.
- Internal controls are defined in the Uniform Guidance as a **process** 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
  - 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 laws, regulations, and provisions of contracts and grant agreements. 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 and to some degree, 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 increased emphasis on internal controls by providing the requirement in the *Standards for Financial and Program Management* (2 CFR 200.303). Effective grant management includes:
  - Segregation of duties
  - Written policies and procedures

- Training
- Internal controls
- Effective oversight
- 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. Management, however, can respond to this increased risk through the design of the internal control system, segregating incompatible duties to the extent possible, and where it is not practical, designing compensating alternative controls.

  - The written policies and procedures that are required by the Uniform Guidance are outlined in question #3 below. Other written policies and procedures that are part of a portfolio of sound grant management practices include the following:

  - Chart of Accounts and accounting system
  - Budget controls and modifications
  - Grant revenues/receivables
  - Payments and accounts payables (in addition to above), including approval process
  - Audits and audit resolution
  - Financial reporting
  - Program or performance reporting
  - Cash management and bank reconciliations
  - Human resources—hiring and selection (in addition to the above)
  - 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
  - Standards of conduct and conflict of interest

  This list is not all-inclusive. It is the grant recipient's responsibility to identify the policies and procedures needed to ensure sound management practice.

Questions for Review and Discussion

1. Does the grant recipient employ sound organization and management techniques to assure proper and efficient administration of the award, in recognition of grant recipient's own unique combination of staff, facilities, and experience?

2. Does the grant recipient have internal controls in place to provide reasonable assurance that grant operations will achieve the following objectives?

   - ❑ Effectiveness and efficiency of operations
   - ❑ Reliability of reporting for internal and external use
   - ❑ Compliance with applicable laws and regulations

3. Are all required written policies and procedures per the Uniform Guidance in place? Is the grant recipient establishing a timeframe to review and update policies and procedures on an as-needed basis?

   - ❑ Payments - 2 CFR 200.302(b)(6) and 2 CFR 200.305
   - ❑ Allowable Costs - 2 CFR 200.302(b)(7)

- ❑ Procurement - 2 CFR 200.318
- ❑ Competition - 2 CFR 200.319
- ❑ Method for Evaluation and Selection - 2 CFR 200.320
- ❑ Compensation—Personal Services - 2 CFR 200.430
- ❑ Compensation—Fringe Benefits - 2 CFR 200.431
- ❑ Employee Relocation Costs - 2 CFR 200.464
- ❑ Travel Costs - 2 CFR 200.474

4. Do the policies and procedures above reflect proper segregation of duties? Are the duties for the following tasks segregated?

   - ❑ Recording
   - ❑ Custodian
   - ❑ Authorizing
   - ❑ Reconciliation

   If not, does the grant recipient have compensating controls in place to mitigate the internal control risk?

   Note: *A compensating control is an alternative control that if the primary control fails, there are other controls in place to mitigate any risk.*

5. Is there adequate training of grant staff and, if applicable, subrecipients? Is there a monitoring program in place for grant operations and, if applicable, subrecipients?
6. Are policies and procedures communicated to all levels of staff and, if applicable, subrecipients?
7. How does management and, where applicable, the Board demonstrate a commitment to integrity and ethical values (e.g. annual ethics training, employee handbook, organization mission statement)?
8. In what ways does the Board oversee the grant recipient's internal control system and ensure that upper management and employees adhere to the standards of conduct?
9. Does management establish an organizational structure, assign responsibility, and delegate authority appropriately to achieve the grant's objectives?
10. Does management or human resources (HR) demonstrate a commitment to hire, develop, and retain responsible employees?
11. Are conflicts of interest and financial disclosure forms completed by appropriate personnel and updated on a frequent basis?

Notes:

Use Tool L: Separation of Duties Worksheet to assist in completing the indicator.

Use Tool K: Policies and Procedures Checklist to assist in completing the indicator.

Objective 3.a: Internal Controls

(C) Indicator 3.a.2: Reliability of Reporting for Internal and External Use

The grant recipient has adequate internal controls in place for accurate and timely reporting and has a policies and procedures in place to ensure that its reporting system is safeguarded, and security is limited to the appropriate personnel.

Citation: 2 CFR 200.61(a) and 2 CFR 200.62

Instructions:

- Interview select personnel to understand how data is reported and what checks and balances are in place to ensure accurate reporting.
- Select a completed ETA-9130 Financial Report and/ or performance report.

Tips

- The primary purpose of financial and performance reporting is to provide information about the progression and results of a Federal 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 performance and financial reports.

Questions for Review and Discussion

1. Is access to the financial and performance reporting system limited to appropriate personnel?
2. Are passwords used and is access to the systems 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 and 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 for the following?
   - Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received
   - Federal program
   - Federal award identification including, as applicable the following:
     - Catalog of Federal Domestic Assistance (CFDA) title and number
     - Federal award identification number and year
     - Name of Federal agency
     - Name of pass-through entity, if any

Notes:

Objective 3.a: Internal Controls

(C) Indicator 3.a.3: Compliance with Applicable Laws and Regulations

The grant recipient has internal controls in place to ensure compliance with applicable laws and regulations governing that program.

Citation: 2 CFR 200.61(a), 2 CFR 200.62, and 2 CFR 200.303(a)-(c)

Instructions:

- ❑ Review the grant recipient's policies and procedures and assess their effectiveness and efficiency.

Tips

- An effective policy or procedure is one that is consistent with legal and regulatory requirements and is stated as ***clearly*** as possible, using precise language when needed; and is unambiguous. Policies and procedures should be written at an appropriate level of detail. This may be different for a policy versus a procedure, as policies are often broader statements; not intended to cover every possible option. It should identify restrictions and prohibitions (though 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 recipient update its policies and procedures to reflect changes and updates contained in the Uniform Guidance, EEO, if applicable, WIOA, and other applicable regulations? Examine a selected number of policies to confirm.
2. What actions or steps does the grant recipient take to ensure compliance with applicable laws and regulations governing the program or grant?
3. Does the grant recipient evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of Federal awards?
4. What training is provided to staff to ensure compliance with regulations and laws?
5. Does the grant recipient take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings, including actions related to a subrecipient?
6. Has the entity taken reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive, or the grant recipient considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and obligations of confidentiality?

Notes:

Objective 3.a: Internal Controls

(C) Indicator 3.a.4: Safeguard on Assets

The grant recipient has adequate safeguards for all grant purchased property and ensures that it is used solely for authorized purposes; has mechanisms in place to prevent unauthorized purchases and disbursements of grant funds; and safeguards its assets so not one person controls the order, receipt, payment, reconciliation, management, and disposition of an asset.

Citation: 2 CFR 200.302(b)(4)

Instructions:

- ❑ Review the grant recipient's asset management procedures to ensure that there are proper safeguards to protect all assets.

Tips

- Safeguards can include mechanisms in place to prevent unauthorized purchases and disbursement of Federal dollars 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 recipients are responsible for establishing effective policy 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, or items that have a monetary value and that are easily transferable.
  - This list is not all-inclusive. Discuss with the grant recipient what other cash equivalent assets may be held at its location.

Questions for Review and Discussion

1. Does the grant recipient have mechanisms in place to prevent unauthorized purchases and disbursement?
2. Is there proper segregation of duties surrounding the asset management process? Verify that not one individual is responsible for the authorization, receipt, disbursement, access, and reconciliation of these assets?
3. How does the grant recipient safeguard physical and intangible assets?
4. Does the grant recipient perform an inventory of assets including bus tokens, checks, credit cards, etc.? How are these items safeguarded to prevent unauthorized use? How are these items tracked to ensure proper usage?

Notes:

Use Tool L: Separation 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 recipient 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 recipient maintains its books of account on a cash basis, it develops and reports accrual data on the financial report.

Citation: 2 CFR 2900.14

Instructions:

- Interview key personnel regarding their basis of accounting (e.g. cash or accrual basis). If the grant recipient keeps its books on a cash basis, ask the grant recipient to walk through its process of reporting on an accrual basis.
- Review supporting documentation such as spreadsheets or another type of documents that link to the accounting records to the grant's latest completed quarterly ETA-9130 Financial Report.
- Cross- check related documents against one another.

Tips

- ETA requires that recipients of Federal awards report on an accrual basis, as allowed under DOL's exceptions to the Uniform Guidance at 2 CFR 2900.14. Grant recipients are not required to maintain their accounting systems on an accrual basis and are not 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. An expense is recognized when it is incurred—that is when the goods or services or a benefit to the organization are received and the accompanying liability for payment, in the current or future period, occurs. 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. Is there a policy in place that ensures accounts are reported on an accrual basis?
2. Does the grant recipient maintain its books of accounts on a cash or accrual basis? If on a cash basis, is there evidence to support accrual reporting (e.g., MIS reports, spreadsheets, linking documents)?
3. Regardless of how the grant recipient 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 and is it reviewed by the appropriate staff member?

Objective 3.b: Accounting System and Financial Reporting

(C) Indicator 3.b.2: Financial Reporting

The grant recipient has an accounting system in place to maintain accurate and complete disclosure of financial results of the grant activities and those of its subrecipients.

Citation: 2 CFR 200.302

Instructions:

- Interview the grant recipient's financial personnel and, if applicable, its subrecipient's, to understand how financial data (e.g., expenditures, obligations, cash received, administrative expenditures, program income, recipient shares, etc.) is collected and verified for accuracy.
- Review the latest quarterly ETA-9130 Financial Report and walk through the report with personnel responsible for completing the form.

Tips

- There are 14 different variations of the ETA-9130 Financial Report, each pertaining to a specific program/funding stream. The instructions for the various ETA-9130 forms are not identical. Discretionary grants and any other grants without a specific ETA-9130 form use the ETA-9130 Basic. If the grant is through one of the specified DOL/ETA programs outlined in the chart below, ensure the correct ETA-9130 form unique to the grant's program/fund stream is used:

ETA-9130 Forms	
ETA-9130 (A)	WIOA Statewide Youth
ETA-9130 (B)	WIOA Local Youth
ETA-9130 (C)	WIOA Statewide Adult
ETA-9130 (D)	WIOA Local Adult
ETA-9130 (E)	WIOA Statewide Dislocated Worker
ETA-9130 (F)	WIOA Local Dislocated Worker
ETA-9130 (G)	National Dislocated Worker Grants
ETA-9130 (H)	Statewide Rapid Response
ETA-9130 (I)	Employment Services & Unemployment Insurance
ETA-9130 (J)	National Farmworker Jobs Program
ETA-9130 (K)	Senior Community Service Employment Program
ETA-9130 (L)	Indian and Native American Program
ETA-9130 (M)	Trade Adjustment Assistance Program

Questions for Review and Discussion

1. Review supporting documentation; trace selected data fields to accounting records or supporting documentation. Are the following line items on the latest ETA-9130 Financial Report traceable and do they adequately identify the source and application of funds for federally-funded activities?

- ❑ Program income
- ❑ Match
- ❑ Indirect costs (for final ETA-9130 Financial Report only)

Note: *Refer to transaction testing of the ETA-9130 Financial Report for verification of reported costs at Objective 3.g—Cost Allocation:* Indicator 3.g.1: Cost Allocation Principles *and to testing at* Objective 3.f: Allowable Costs and Cost Classification*.*

2. Do financial systems and supporting documentation used to complete the latest ETA-9130 Financial Report contain information pertaining to:

   - ❑ Federal awards
   - ❑ Authorizations
   - ❑ Obligations
   - ❑ Unobligated balances
   - ❑ Assets
   - ❑ Expenditures
   - ❑ Income
   - ❑ Interest

3. Review the financial reports and accrual spreadsheets. Do the reports reflect costs captured in:

   - ❑ The appropriate funding stream?
   - ❑ The appropriate HHS-PMS subaccount?

4. Does the grant recipient's financial management system identify the following:

   - ❑ Federal funding source
   - ❑ CFDA title and number
   - ❑ Federal award identification number and year
   - ❑ Name of the Federal awarding agency

5. If applicable, does the subrecipient's financial management system identify all the information listed in the above checklist and also the name of the PTE?

6. Does the grant recipient 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 in the Grant Agreement or grant modification?

Notes:

Objective 3.b: Accounting System and Financial Reporting

(C) Indicator 3.b.3: Subrecipient's Financial Reporting

If applicable, the pass-through entity (PTE) has a system in place to ensure the subrecipient 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 subrecipients in a timely manner so that it can include this data in its financial reports to ETA.
- If applicable, request copies of financial reporting and subrecipient policies as well as subaward clauses related to subrecipient reporting.
- Walk through the process with financial staff to gain an understanding of how the PTE gathers and verifies subrecipient financial data.

Tips

- All PTEs must monitor subrecipients to ensure compliance with Federal statutes, regulations, and the terms and conditions of the subaward. This includes reviewing financial reports for compliance. To report the financial status of a project to the Federal awarding agency, a PTE must ensure that it collects and verifies the financial data submitted by its subrecipients. For subrecipient reporting, the regulations allow direct grant recipients to impose different forms, shorter due dates, and more frequent reporting requirements.
- An essential part of subrecipient 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? Do they contain policy and procedures on the following?
   - Accrual basis of reporting
   - Reporting instructions
   - Reporting formats
   - Program income
   - Match
2. If not, what processes are in place to ensure timely and accurate reporting of financial information of the subrecipients? How does the PTE verify that all accruals are included in the subrecipients' submission of financial data?
3. Is the PTE receiving timely data from its subrecipients?
4. If the subrecipient uses estimated accrual data, does the PTE understand the basis of the estimate and verifies if reasonable?

Objective 3.b: Accounting System and Financial Reporting

(E) Indicator 3.b.4: Performance Reports

The grant recipient's quarterly ETA-9130 Financial Reports should agree with corresponding performance reports.

Instructions:

- Analyze financial and program data to see if the grant recipient is on target with spending and meeting performance goals.
- Request the latest quarterly ETA-9130 Financial Report and the corresponding quarterly performance report.
- Review the information reported cross check to documents to see if the spending rate is in line with what is reported in performance.

Tips

- Any performance-related report identified in the grant recipient's Grant Agreement should coordinate with the corresponding ETA-9130 Financial Report.

Questions for Review and Discussion

1. How does the grant recipient ensure spending in accordance with its performance? Will funds be exhausted prior to meeting performance goals? If so, how will the grant recipient address this?
2. If the grant recipient's spending is not in accordance with its performance, document the explanation and determine if it is reasonable?
3. If the rate of expenditures is not in line with the performance report, obtain an explanation and assess the reasonableness of that explanation.

Notes:

Objective 3.c: Payment and Cash Management

The grant recipient has a payment and cash management system in place to accurately track the receipt, disbursement and recording of funds between the awarding agency and grant recipient. Such systems should readily track the handling of grant funds to subrecipients, contractors, and participants.

(C) Indicator 3.c.1: Cash Disbursements

The grant recipient has a mechanism in place to minimize the time between the transfer of funds from U.S. Department Health and Human Services' Payment Management System (PMS) and disbursement of funds to pay allowable costs.

Citation: 2 CFR 200.305(b) and 2 CFR 2900.7

Instructions:

- Review the grant recipient's policy and procedures on cash management.
- Walk through the cash management process with key personnel and gain an understanding of how cash is drawn down from PMS, recorded in the official accounting records, and disbursed for expenditures.
- Ask the grant recipient for a summary of its drawdowns and expenditures for one month. Compare and analyze its drawdowns for one month to its 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 recipient is liquidating existing advances before it requests additional funds from PMS by looking at cash balances in their bank account and in their accounting system.
- If the grant recipient has a subrecipient, request evidence that the pass-through entity (PTE) is monitoring the cash management activities of its subrecipients.

Tips

- States must follow their Cash Management Improvement Act (CMIA) agreement requirements related to interest earnings and expenses. Note that the only ETA programs that usually meet the threshold requirements to be included under the CMIA agreements are the WIOA or Unemployment Insurance programs.
- Interest income earned on Federal advance payments, except for WIOA grants, is not considered program income. Interest earned amounts up to $500 per year may be retained by the organization for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. Refer to 2 CFR 200.305(b)(9) for instructions on remitting of interest income.

Questions for Review and Discussion

1. Does the grant recipient have policies and procedures in place to minimize cash on hand? Are there sufficient internal controls in place to ensure proper segregation of duties for the following functions: recording, custodian, authorizing, and reconciliation
2. What is the mechanism or tool used by the grant recipient to determine the amount of cash to draw down? How often is it performed and reviewed?
3. Review a report from PMS and request supporting documentation of the cash drawn. Were the cash drawdowns approved and reviewed by an appropriate manager? Were they used for immediate use?
4. Is there a reconciliation performed between the cash drawdowns and the expenditures? Is it performed on a frequent basis and reviewed?
5. Does the grant recipient have policies in place for payment of non-sufficient funds, overdraft fees, and other penalties which cannot be paid using Federal funds?
6. If applicable, the PTE monitors the cash management activities of its subrecipient to ensure they are consistent with the Uniform Guidance. How does the PTE ensure that its subrecipients do not have excess cash on hand? How does the PTE ensure that the subrecipient liquidates existing advances before it request additional advances?

Notes:

Objective 3.c: Payment and Cash Management

(C) Indicator 3.c.2: Improper Payments

The grant recipient can identify improper payments and has procedures in place to recapture improper payments.

Citation: 2 CFR 200.53, 2 CFR 200.305, 2 CFR 200.426, and 2 CFR 200.428

Instructions:

- Interview key staff members to understand the process of identifying and recovering improper payments.
- Review the grant recipient's policy and procedures on recapturing of improper payments from subrecipients and contractors.

Tips

- There is a strong emphasis in the Uniform Guidance on avoiding or recovering improper payments. The Guidance now requires grant recipients and their subrecipients to have a process in place to track, report, and collect improper payments. Improper payments not only include payments that should have not been made or that were made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements, but also includes payments made to an ineligible party, payment for an ineligible good or service, duplicate payments, or payment for a good or service not received.
- The Improper Payments Elimination and Recovery Act of 2010 (IPERA) expanded the use of data to identify and control improper payments. IPERA requires Federal agencies to look for improper payments and assess whether programs are at risk of significant improper payments. DOL is conducting more thorough improper payment reviews of its programs to ensure compliance with the Act and that improper payments are recovered. Therefore, DOL requires that grant recipients make every effort to identify and recover improper payments.

Questions for Review and Discussion

1. Does the grant recipient have policies and procedures in place to identify and recapture improper payments? If not, what process does the grant recipient have in place to identify and recapture improper payments?
2. If applicable, does the PTE have improper payment procedures in place for its subrecipients and ensure that its subrecipients also have policies and procedures in place for improper payments?
3. The costs incurred by a grant recipient to recover improper payments are allowable as either direct or indirect costs, as appropriate. Is the grant recipient consistent in the treatment of the Federal dollars used to recover improper payments?

Notes:

Objective 3.c: Payment and Cash Management

(C) Indicator 3.c.3: Deposit Insurance

The grant recipient has deposited its Federal funds in an insured bank or savings association whenever possible.

Citation: 2 CFR 200.305(b)(7)(ii)

Instructions:

- Review the grant recipient bank documents to ensure that ensure that Federal funds are deposited in insured bank depository institutions.

Tips

- Grant recipients 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 if an FDIC-insured bank or savings association fails. The 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 recipient using an insured depository institution or bank that provides insurance coverage on deposits?
2. Are DOL's Federal dollars deposited in a deposit account and not an investment account?
3. If DOL funds are not deposited in an insured bank or savings association, obtain an explanation from the grant recipient and assess the reasonableness of the explanation.
4. Examine the grant recipient's daily cash balance noted on its monthly bank statements. If the grant recipient 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?

Notes:

Objective 3.d: Match and Leveraged Resources

If applicable, the grant recipient 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.

(C) Indicator 3.d.1: Match Policies and Procedures

The grant recipient's written match policy and procedures describe the allowability of costs in accordance with Subpart E – Cost Principles and have been issued to key personnel and, if applicable, subrecipients.

Citation: 2 CFR 200.302(b)(7) and 2 CFR 200.306(b)

Instructions:

- ❑ Interview staff to ensure that the key personnel are following written policy and procedures or that the written policy and procedures are updated to capture the grant recipient's process.
- ❑ Review the grant recipient's written policy and procedures for grant match and interview staff responsible for documenting match.
- ❑ Cross-check recording, valuation, and reporting of match against Subpart E – Cost Principles to ensure that allowability of cost.

Questions for Review and Discussion

1. Does the grant recipient 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 the Uniform Guidance at 2 CFR 200.306(b):
   - ❑ Allowable under Subpart E – Cost Principles
   - ❑ Verifiable from the grant recipient's records
   - ❑ Costs and contributions are necessary and reasonable to meet program objectives
   - ❑ 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
   - ❑ Are provided for in the approved budget, when required
   - ❑ Methodology for tracking and documenting match
   - ❑ Methodology for the valuation of non-cash contributions
3. If applicable, does the PTE have match polices and procedure for its subrecipients?
4. Does the written match requirement policy and procedures reflect actual the organization's practice?

Notes:

Objective 3.d: Match and Leveraged Resources

(C) Indicator 3.d.2: Expending Match

The grant recipient uses match to support grant activity and accounts for funds used for match within its accounting systems as the funds are expended.

Citation: 2 CFR 200.306(d) and 2 CFR 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 recipient'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 recipient's policy and procedures and the Uniform Guidance.

Tips

- A key and important change related to match is at DOL's exception at 2 CFR 2900.8. It states that in addition to the guidance set forth in 2 CFR 200.306(b), for Federal awards from DOL, the grant recipient accounts for funds used for match within its accounting systems as the funds are ***expended***. The receiving of cash and in-kind contributions as match is not enough, as DOL has placed an emphasis on the need to expend match contributions on allowable grant activities before it can be recognized as match.
- Per DOL policy, for grant recipients interested in applying unrecovered indirect costs to meet a match requirement must obtain prior approval from the Grant Officer.

Questions for Review and Discussion

1. Does the grant recipient 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 recipient appropriately report the use of match in the appropriate performance and financial reports? If applicable, does it report subrecipient match?
3. From the sample of match expenditures reviewed, did it meet the following criteria as prescribed in 2 CFR 200.306(b)(1-7)?
   - ❑ Allowable under Subpart E – Cost Principles
   - ❑ Verifiable from the grant recipient's records
   - ❑ Costs and contributions are necessary and reasonable to meet program objectives
   - ❑ 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
   - ❑ Are provided for in the approved budget, when required
4. If the grant recipient is using unrecovered indirect costs to meet a match requirement, did it obtain prior approval from the Grant Officer?

Notes:

Use Tool M: Worksheet for Evaluating Allowable Match Items to assist in completing the indicator.

Objective 3.d: Match and Leveraged Resources

(C) Indicator 3.d.3: Valuation and Documentation

The grant recipient 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. The Uniform Guidance at 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 recipient 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 recipient.
- For cash contributions for match, once non-Federal dollars are expended on behalf of the grant, the grant recipient 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 recipient 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 recipient 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 recipients must maintain records to support all match within the grant recipient or subrecipient's accounting system and these records must be available for audit and review. In accordance with the Uniform Guidance at 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 recipient's valuation of non-cash contributions are in accordance with the Cost Principles in Subpart E of the Uniform Guidance? Is the FMV of non-cash contributions (goods and services) adequately supported?
2. Does the grant recipient have supporting documentation that supports the match reported on the performance and financial reports? Is the documentation appropriate?
3. If applicable, do subrecipients have appropriate supporting documentation for any match and/or leveraged resources reported by them?

Notes:

Objective 3.d: Match and Leveraged Resources

(E) Indicator 3.d.4: Leveraged Resources

The grant recipient provides for the use of leveraged resources.

Instructions:

- ❑ Review the grant recipient's FOA to understand whether leveraged resource is required.

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 recipient required through the FOA to provide leveraged resources? 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)?

Notes:

Objective 3.e: Program Income

The grant recipient 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 recipient's written program income policy and procedures describe the allowability of costs in accordance with Subpart E – Cost Principles and have been issued to key personnel and, if applicable, subrecipients.

Citation: WIOA sec. 194(7)(B), 2 CFR 200.302(b)(7), and 2 CFR 200.307

Instructions:

- ❑ Review any policies and procedures related to program income.
- ❑ Request documentation supporting proper recording and use of program income.

Tips

- Interest income earned on Federal advance payments, with the exception of WIOA grants, is not considered program income. Interest earned amounts up to $500 per year may be retained by the organization for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. Refer to 2 CFR 200.305(b)(9) for instructions on remitting of interest income.
- For YouthBuild grants, the revenue from the sale of buildings rehabilitated or constructed under this program to homeless individuals and families and low-income families is ***not*** considered program income (20 CFR 688.590). YouthBuild grant recipients are encouraged though to use that revenue for the long-term sustainability of the YouthBuild program.

Questions for Review and Discussion

1. Does the grant recipient have written policies and procedures for program income requirements? Is the grant recipient aware that it is earning program income? What mechanism does the grant recipient have in place to recognize it is earning program income?
2. Review the policies and procedures and determine if they address the following requirements as set forth in the Uniform Guidance:
   - ❑ Allowable under Subpart E – Cost Principles
   - ❑ Verifiable from the grant recipient's records
   - ❑ Program income expended on grant activities to meet program objectives
   - ❑ Program income is expended for immediate use

Notes:

Objective 3.e: Program Income

(C) Indicator 3.e.2: Expending and Documentation

The grant recipient and, if applicable, its subrecipient, is expending program income on allowable grant activities and prior to drawing grant funds and is recording and reporting program income and, if applicable, program income of its subrecipient, appropriately.

Citation: 2 CFR 200.307

Instructions:

- Review the grant recipient's latest quarterly ETA-9130 Financial Report to verify if the entity is reporting program income. If dollar amounts are reported, walk through the grant recipient's process for reporting and expending program income.
- In addition, walk through the grant activities that may potentially earn program income and gain an understanding if they will earn program income. If the grant recipient is earning program income, ensure that it is recording the earning and expending of program income.

Tips

- For either method of accounting used (gross or net method), the grant recipient must spend the 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 recipients 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 in Federal, State and/or local statutes, regulations, and other requirements, must not be charged to program income generated by the grant recipient or its subrecipients.

Questions for Review and Discussion

1. Does the grant recipient and, if applicable, its subrecipient expend program income prior to drawing grant funds?
2. Is program income generated by multiple funding sources properly allocated by the grant recipient and, if applicable, its subrecipient?
3. Does the grant recipient and, if applicable, its subrecipient expend program income in the quarter it is earned? What is the process to ensure program income is liquidated prior to the grant expiration?
4. Does the grant recipient and, if applicable, its subrecipient expend program income on grant-related activity? Is program income expended and disbursed first in accordance with applicable Federal regulations?
5. Are all sources of program income identified (e.g., fees for services, use fees, conference fees, honoraria, fees for providing data to third parties)? Is the grant recipient selling a product produced with grant funds or charging a license or user fee to other Federal grant recipient's use? And, if applicable, at the subrecipient level as well?
6. Does the PTE have a system in place to record and expend program income at the subrecipient level?

Notes:

Objective 3.f: Allowable Costs and Cost Classification

The grant recipient 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 recipient also monitors the costs incurred by its contractors and subrecipients to ensure allowability and accurate cost classification.

(C) Indicator 3.f.1: Cost Principles

The grant recipient's written policy and procedures describe the allowability of costs in accordance with Subpart E – Cost Principles and have been issued to key personnel and, if applicable, subrecipients.

Citation: 2 CFR 200.302(b)(7) and 2 CFR 200.403

Instructions:

- Interview personnel and financial program and staff regarding the grant recipient's policies and procedures.
- Cross-check the policies and procedures surrounding the liability of cost to Federal funds are against the Cost Principles of the Uniform Guidance.

Questions for Review and Discussion

1. Do policies and procedures reflect the Uniform Guidance at Subpart E – Cost Principles?
2. Are these policies and procedures circulated to the appropriate personnel and financial and program staff?
3. Are the personnel properly trained?
4. How does the grant recipient ensure that the grant is not charged unallowable costs based on the Cost Principles and the provisions of the grant agreement?
5. If applicable, how does the grant recipient, acting in the capacity of a PTE, ensure that its subrecipients are following appropriate cost guidelines and the policies of the Federal awarding agency? Has the PTE issued written cost policies to its subrecipients?

Notes:

Use Tool N: Transaction Testing to assist in completing the indicator.

Objective 3.f: Allowable Costs and Cost Classification

(C) Indicator 3.f.2: Financial Management Systems

The grant recipient 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:

- Review the grant recipient's Chart of Accounts and ensure that there are separate codes for revenue and expenditures and that the grant recipient is recording costs against the PMS subaccount.
- Refer to the program's regulations, Grant Agreement, and applicable ETA-9130 Financial Report instructions 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 recipient'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 the grant agreement to ensure if there is an administrative threshold for the grant as any administrative costs in excess of the program's administrative limit 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 recipient's Chart of Accounts and interview fiscal staff to understand how it is capturing this information in its accounting systems and reporting it on the quarterly ETA-9130 Financial Report.
  - An example of an expenditure cap placed on certain programs is the expenditure cap on Transitional Jobs for Local Dislocated Worker funds. WIOA sec. 134(d)(5) sets a transitional jobs expenditure cap of ten percent of the amount of Federal funds allocated to local areas to carry out the Dislocated Worker program for a program year.
  - An example of an expenditure threshold is Out-of-School Youth expended on direct services. WIOA sec. 129(a)(4)(A) requires that a minimum of seventy-five percent of statewide and local Youth funds provided to carry out the program in the State for a program year must be expended to provide youth workforce investment activities for Out-of-School Youth.
  - It is recommended that Reviewers review 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 recipient's Chart of Accounts contain sufficient account codes for revenue and expenses to adequately track spending of grant funds? If there are multiple Federal funding streams, how does the grant recipient track its costs to the appropriate PMS subaccount?
2. If applicable, if administrative costs exceed the program's administrative limit for the grant, is the grant recipient charging the excess to non-Federal funds?
3. If applicable, does the grant recipient'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? Refer to the grant's program regulations for a full understanding of any expenditure /caps or thresholds on grant activities.
4. If applicable, did the grant recipient, in the capacity of a PTE, review its subrecipients' Charts of Accounts to ensure that they are reporting costs in the appropriate budget cost categories, subaward, etc.?
5. If applicable, are the costs associated with contracts and subawards classified appropriately?

Notes:

Objective 3.g: Cost Allocation/ Indirect Costs

The grant recipient allocates costs including indirect costs to the benefitting cost objectives based on relative benefits 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, 2 CFR 200.405, and TEGL 2-16

Instructions:

- Review the grant recipient's purchasing/procurement, payroll, and financial reporting policies and procedures.
  - Walk through and interview staff involved in all these processes and gain an understanding of the role of each staff member.
  - Also, review the Grant Award, the Cost Principles (Subpart E) in the Uniform Guidance, and the grant program's statute and regulations for guidance on selected items of cost.
- Obtain a detailed general ledger of grant costs with totals.
  - To ensure that the detailed general ledger obtains all costs, review that the total amount of the detailed listing agrees to what is reported on the corresponding ETA-9130 Financial Report.
  - If the amounts do not agree, obtain a reconciliation from the grant recipient.
  - If the grant recipient 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, make 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.
  - For staff time, review the HR/payroll policy and procedures to obtain an understanding of how staff time is recorded and allocated to the grant. Request a detailed listing of all personnel that charge time, fully or partially, to the grant and make a sample selection.
- Lastly, if costs are shared among multiple funding streams or programs, review the grant recipient's policy on allocating costs (for Cost Allocation Plans, Indirect Cost Rate, or De Minimis testing, please see indicators below).
  - 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 recipient's cost allocation methodology.

Tips

- When testing costs reported on the ETA-9130 Financial Report, start with a quarterly ETA-9130 and request, from the grant recipient's official accounting system or general ledger, a listing of all the costs that make up the amount of expenditures reported on line item 10e – *Federal Share of Expenditures*. Some grant recipients may be on a cash basis, for accounting purposes, and the amount per the

detailed general ledger may not agree to the amount reported on ETA-9130. If so, the grant recipient 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 per the detailed general ledger and line 10e – *Federal Share of Expenditures* 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. Refer to Resource G: Sampling Methodology on more information about making samples.
- Supporting documentation may come in many forms and may include evidence of prior approval obtained (e.g., Board meeting minutes, sign-off sheets or initials from management, grant modification showing Grant Officer approval, 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 have been met. When receiving supporting documentation, review the document(s) to ensure that the grant recipient is following its own processes, and, regardless of the type of cost, supporting documentation should evidence validity, allowability, and proper approval.

Questions for Review and Discussion

1. Does the grant recipient have written policies and procedures for distributing program costs, staff time, and general administrative costs among funding streams, programs, etc.?
2. Does the grant recipient's policies and procedures follow the Cost Principles? How does it identify the circumstance when costs are allowable, allowable with condition, and unallowable?
3. Does the grant recipient's policies and procedures reflect requirements identified in the grant FOA and applicable program/ authorizing statutes and TEGLs?
4. From the sample of costs from the grant recipient's general ledger and, if applicable, the subrecipients test for the following factors of allowability as described in 2 CFR 200.403):
   - ❑ Necessary and reasonable for the performance of the grant
   - ❑ Conform with Federal law, guidelines, and grant terms
   - ❑ Conform to any limitations or exclusions set forth in the Cost Principles
   - ❑ Legal under State and local law
   - ❑ Consistently treated
   - ❑ In accordance with GAAP (except for State, local government, and Indian tribes only)
   - ❑ Not included as a cost or used to meet matching requirement of another Federally-financed program
   - ❑ Adequately documented
   - ❑ Consistent with policies and procedures
   - ❑ During the testing of costs, for goods and/or services that require prior approval, was appropriate prior approval obtained prior to purchasing?
   - ❑ Review Indicator 2.b.2: Budget Modifications for prior approval guidance.
5. Does the grant recipient have multiple funding sources? If so, move to the next applicable indicators, if not, move on to Objective 3.h: Audits and Audit Resolution.

Notes:

Use Tool G: Procurement History File to assist in completing the indicator.

Use Tool I: Contract Review Checklist to assist in completing the indicator.

Objective 3.g: Cost Allocation/Indirect Costs

(C) Indicator 3.g.2: Cost Allocation Plan

The grant recipient 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 recipient'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 (see 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 basis 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 following organizations 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 recipient have an approved CAP? Is it the authorized party to that CAP?
2. Is the CAP reviewed on an annual basis and updated as needed?
3. Does the grant recipient allocate shared costs in accordance with its cost allocation plan?
4. How does the grant recipient allocate staff's time among the various grant programs they work on? 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 recipient applying the carry forward correctly?

Notes:

Use Tool O: Cost Allocation Worksheet to assist in completing the indicator.

Objective 3.g: Cost Allocation/Indirect Costs

(C) Indicator 3.g.3: Negotiated Indirect Cost Rate Agreements (NICRA)

The grant recipient has indirect costs and uses an approved NICRA to allocate these costs.

Citation: 2 CFR 200.416(b) and (c) and 2 CFR 2900.17

Instructions:

- Read the Instructions of Indicator 3.g.2: Cost Allocation Plan.
- Review the grant recipient'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 recipient'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 recipient 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 recipient 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 recipient'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 recipient's cognizant agency.
- All grant recipients 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 recipients must submit their final indirect cost rate proposals within 180 days of the end of the grant recipient's fiscal year (2 CFR Part 200 Appendix IV, C.2.c).
- Please refer to DOL's 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 recipient's NICRA and review for effective dates and departments or locations. Is the rate approved for the period the grant recipient is applying the NICRA? If not, has it submitted a proposal?
2. Does the grant recipient have an approved rate specific to its organization?
3. Review the NICRA's distribution base. Is the grant recipient correctly calculating the distribution base? 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 recipient 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?

Notes:

Objective 3.g: Cost Allocation/Indirect Costs

(C) Indicator 3.g.4: De Minimis

The grant recipient 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 recipient meets all the criteria to use the de minimis rate, review the grant recipient's calculation for the de minimis rate.
- Ensure that the grant recipient 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 recipient chooses to negotiate for an indirect cost rate.

Tips

- To relieve administrative burden, the Uniform Guidance specified that grant recipients that have never received a NICRA and has allowable indirect costs that they would like to charge to a Federal award may elect to charge a de minimis rate of ten 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 recipient 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 recipient 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 recipient 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 subrecipient that do not have a direct Federal grant, it must obtain approval from its PTE.

Questions for Review and Discussion

1. Did the grant recipient receive prior approval from the Grant Officer prior to applying the de minimis rate to the MTDC and recovering those funds from ETA?
2. Did the grant recipient correctly calculate the MTDC? Did the grant recipient correctly apply ten percent to the MTDC base?

Notes:

Objective 3.h: Audits and Audit Resolution

The grant recipient 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 recipient had a single or program-specific audit performed if it expended $750,000 or more in Federal awards during the grant recipient's fiscal year.

Citation: 2 CFR 200.501, 2 CFR 2900.03, and 2 CFR 2900.21

Instructions:

- Examine the grant recipient's official book of accounts and determine if it has expended $750,000 or more in Federal awards during the grant recipient's fiscal year. If so, ensure that a single or program-specific audit was completed.
- Obtain a copy of the grant recipient's most recent audit report and review the report for questioned costs and findings.
- If applicable, obtain a written status report of the questions 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 recipient 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 1st, 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 Guidance does not provide coverage for audits of commercial for-profit entities or contractors nor to foreign-based entities. However, DOL now extends coverage through the DOL exception at 2 CFR 2900.2 to commercial for-profit entities and foreign entities that are awardees of DOL funds.
- Under DOL's Uniform Guidance exception on questioned cost (2 CFR 2900.3), a questioned costs is a cost questioned by auditors, FPOs, Grant Officers, or any other authorized Awarding agency representative to questioned costs. In addition, DOL's 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 recipient 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:
   - Are material weaknesses identified?
   - Are reportable conditions identified?
   - Are Federal award findings identified?
   - Are Federal award questioned costs identified?
4. If there are issues identified on the Schedule of Findings and Questioned Costs, what is the current corrective action plan employed by the grant recipient to resolve these matters?
5. How long has the grant recipient employed the existing audit firm for audit work? For non-State entities, 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 Resolution Tracking Checklist to assist in completing the indicator.

Use Tool P: Audit Appeals Process to assist in completing the indicator.

Objective 3.h: Audits and Audit Resolution

(C) Indicator 3.h.2: Subrecipient's Audit

The grant recipient, in the capacity of a PTE, has a system in place to ensure subrecipient 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 subrecipients.
  - Gain an understanding of how the PTE assesses if its subrecipient has expended $750,000 in Federal dollars for the fiscal year.
  - Review the policy to ensure that the PTE follows up with the subrecipient 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 subrecipient, a PTE is responsible for ensuring that if a subrecipient 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 subrecipient'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 subrecipient during the subaward's period of performance.

Questions for Review and Discussion

1. Did any subrecipients expending $750,000 or more in Federal awards have a single or program-specific audit performed?
2. Does the PTE have an audit report from its subrecipients?
3. As part of its monitoring responsibilities, did the PTE follow up with the proposed corrective action on outstanding audit findings? How does the PTE ensure corrective actions are resolved timely?
4. Was an appropriate appeals process followed, if applicable?
5. Does the PTE have debt collection procedures in place in case a subrecipient is unable to resolve a questioned cost?

Objective 3.h: Audits and Audit Resolution

(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 recipient 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 recipient's latest SF-SAC that was submitted to the FAC (either by the grant recipient or its auditors).
- Review the Data Collection Form and identify if the grant recipient has any administrative findings, significant deficiencies, and or material weakness surrounding its internal controls.
  - If applicable, walk through the grant recipient's corrective action plan and ensure that the grant recipient'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 recipient have any administrative findings, significant deficiencies, and/or material weaknesses surrounding its internal controls? If not, skip next questions.
2. Does the grant recipient have a corrective action in place to address any administrative findings significant deficiencies, and/or material weaknesses?
3. Review the grant recipient's corrective action. Is the plan sufficient and reasonable and will the corrective actions be completed timely?

Notes:

APPENDIX

INTRODUCTION

The purpose of the Appendix to the Core Monitoring Guide (CMG) is to contain all the tools and resources for Federal staff to perform an in-depth review of indicators in the CMG, primarily Core Activities 2 and 3. This Appendix, along with other supplements to the CMG, constitutes an important part of ETA's overall strategy to improve grant administration, specifically on-site monitoring of grant recipients.

The CMG Appendix was previously the Financial Supplement but now has been incorporated as part of the basic CMG to provide more resources to the Reviewer during the on-site review. The Appendix is for general use and can be used on a variety of grant programs. The Reviewer may tailor the resources and tools for his/her needs.

TABLE OF CONTENTS

RESOURCES

Resource A: Selected Definitions and Acronyms

Resource B: Cross Reference of Grant Management Requirements

Resource C: Order of Precedence

Resource D: Documentation Request Samples

Resource E: Analysis for On-Site Monitoring

Resource F: Using Effective Interviewing Techniques

Resource G: Sampling Methodology

Resource H: Monitoring Finding Template

Resource I: List of Items Requiring Prior Approval

Resource J: Procurement Standards

Resource K: Background for Contract Provisions

Resource L: Retention of Records Table

Resource M: SWCAP and NICRA Resources

TOOLS

Tool A: MOU & IFA Worksheet

Tool B: WIOA Adult Participant File Review

Tool C: WIOA DW Participant File Review

Tool D: WIOA Youth Participant File Review

Tool E: Budget Comparison Tool

Tool F: Procurement / Purchasing Policy checklist

Tool G: Procurement History File

Tool H: Subaward Review Worksheet

Tool I: Contract Review Checklist

Tool J: Subrecipient Monitoring Reports Worksheet

Tool K: Policies and Procedures Checklist

Tool L: Separation of Duties Worksheet

Tool M: Worksheet for Evaluating Allowable Match Items

Tool N: Transaction Testing

Tool O: Cost Allocation Worksheet

Tool P: Audit Appeals Process

Tool Q: Audit Resolution Tracking Checklist

Tool R: Documentation of Personal Services

Tool S: Risk Assessment

Tool T: Summary of Results / Reviewer Notes

Tool U: Compliance Determination Tool

RESOURCE A: SELECTED DEFINITIONS AND ACRONYMS

Purpose:

For a complete listing of applicable definitions and acronyms to the Core Monitoring Guide (CMG) please access the sections contained in the links below.

Definitions and Acronyms
◆ 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): Public Law - Section 3
◆ WIOA DOL-Only Final Rule ◆ Wagner-Peyser – 20 CFR 651.10 ◆ WIOA Title 1 – 20 CFR 675.300
◆ WIOA Joint Provisions Final Rule ◆ WIOA Performance Accountability – 20 CFR 677.150
◆ Grants Application and Management Collection
◆ DOL-ETA Directives: TEGLs, UIPLs, and TENs

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 recipients under subtitle B of title I and recipients of awards under subtitles C and D of title I), local grant recipients, 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 a costs(s) 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 2 CFR 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 U.S.C. 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 U.S.C. 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 & Bradstreet, Inc. (D&B) 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 2 CFR 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 U.S.C. 6302, 6304: (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 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. [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 U.S.C. 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 U.S.C 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 & administrative F&A)) 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 (F&A) costs. Indirect (F&A) 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. (1) Transactions are properly recorded and accounted for to: (a) permit the preparation of reliable financial statements and Federal reports; (b) maintain accountability over assets; and (c) demonstrate compliance with Federal statutes, regulations, and terms and conditions of the Federal award. (2) Transactions are executed in compliance with: (a) Federal statutes, regulations, and the terms and conditions of the Federal award; and (b) any other Federal statutes and regulations that are identified in the Compliance Supplement. (3) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition. [2 CFR 200.62]. 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]

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: (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. [2 CFR 200.70]

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]

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, e-mail 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: (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. [2 CFR 200.84] 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: (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. [2 CFR 2900.3]

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 R&D) 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

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	Cash 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 American Programs
DOD	Department of Defense
DOL	Department of Labor
DUNS	Data Universal Numbering System
DW	Dislocated Worker
EBSS	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
F&A	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
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
LWIB	Local Workforce Investment 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
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
WIG	Workforce Information Grants
WIOA	Workforce Innovation and Opportunity Act
WOTC	Work Opportunity Tax Credit
W-P	Wagner-Peyser
WPRS	Worker Profiling and Reemployment Services

RESOURCE B: CROSS REFERENCE OF GRANT MANAGEMENT REQUIREMENTS

Purpose:

This chart provides a cross reference of grant management requirement references

Requirement	
Audit	2 CFR 200 Subpart F; 2 CFR 2900.2
Audit Resolution	2 CFR 200.508; 2 CFR 200.511; 2 CFR 200.521; 2 CFR 2900.20-22
Federal Cost Principles for Allowable Costs	2 CFR 200.400-419
Treatment of Selected Items of Cost	2 CFR 200.420-475
Uniform Administrative Requirements	2 CFR 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

Note: *Additional requirements may be contained in program regulations related to ETA-funded grant programs.*

US DEPARTMENT OF LABOR GRANT RECIPIENTS			
	AFTER December 26, 2014		
	Administrative Requirements	Audit Requirements	Cost Principles
Governmental Organizations	2 CFR Part 200 and 2 CFR 2900*		
Indian Tribes			
Nonprofit Organizations			
Institutions of Higher Educations			
Commercial For-Profit Organizations *			
Foreign Public Entities and Foreign Organizations *			
** 2 CFR 2900.2 expands the definition of 'non-Federal entity' to include commercial 'for-profit' entities and foreign entities. Thus commercial 'for-profit' entities and foreign entities that are recipients or subrecipients of a DOL award must adhere to the Uniform Guidance.*			
	BEFORE December 26, 2014		
	Administrative Requirements	Audit Requirements	Cost Principles
Governmental Organizations	29 CFR Part 97 (A-102)	29 CFR Part 96 (A-133)	2 CFR 225 (A-87)
Nonprofit Organizations	29 CFR Part 95 (A-110)	29 CFR Part 96 (A-133)	2 CFR 230 (A-122)
Institutions of Higher Educations	29 CFR Part 95 (A-110)	29 CFR Part 96 (A-133)	2 CFR 215 and 220 (A-21)
Commercial For-Profit Organizations **	29 CFR Part 95 (A-110)	29 CFR Part 96 (A-133)	48 CFR 31.2

USDOL-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 and 2 CFR 2900 – http://www.ecfr.gov/

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:

I. Program authorizations*/statutes
II. Other applicable Federal statutes
III. Applicable appropriations**
IV. Implementing Regulations
V. Executive Orders
VI. OMB Circulars, including the Uniform Guidance at 2 CFR Part 200 and 2 CFR 2900
VII. DOL-ETA Directives
VIII. Terms and conditions of this award

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.

* 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 the purpose, time, and amount of the program authorizations. Through the Anti-Deficiency Act, Departments are prohibited from over obligating or overspending an appropriation.

RESOURCE D: DOCUMENTATION REQUEST SAMPLES & DATA ANALYSES

Purpose: Documentation Request

The list below outlines documentation requested by ETA staff for analysis prior to and while on site for a monitoring review. The list of documents should be provided to the grant recipient prior to arrival and be made available at the start of the on-site review. The grant recipient may make access available via a website. Documentation that cannot be provided in advance of the review is collected on-site. Additional requests may be made while on site, if necessary.

SAMPLE DOCUMENTATION REQUEST (FOR ANY DOL-ETA GRANT)

For the period of ___ 01, ___ to ___ 30, ___, please make the following documents available prior to or during our site visit.

Documentation Request:

- ☐ 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 & audit resolution at subrecipient level
- ☐ Single Audit reports for the last three fiscal years
- ☐ Monitoring reports, schedules & 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 (OJT), customized or Individual Training Accounts (ITAs)
- ☐ Records – retention, custody, schedule security, and transfer policies
- ☐ Agency disaster plan and recovery
- ☐ Grant/contract closeout

Below are documentation lists that are unique to a specific program and should be made available prior to and/or during the on-site visits.

WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

For the period of ___ 01, ___ to ___ 30, ___, please make the following documents available prior to or during our site visit.

State Level – Documentation Request:

- ☐ Applicable State policies and procedures;
- ☐ Organizational chart;
- ☐ Approved budget
- ☐ State Board membership list;
- ☐ State Workforce Development Board (SWDB) agendas and minutes for PY [year];
- ☐ Workforce and/or Youth Council membership by representation category;
- ☐ Workforce and/or Youth Council agendas and minutes for PY [year];
- ☐ WIOA Local Area plan modifications - State procedures, if applicable;
- ☐ WIOA Local Area Memorandums of Understandings and Infrastructure Funding Agreements (MOUs and IFAs) State policy or guidance on WIOA Local Area;
- ☐ Current schedule of completed monitoring for [year] and monitoring instruments;
- ☐ [WIOA Local Areas to be reviewed] WIOA services and area service providers for PY [year] - State monitoring reports and all associated correspondence;
- ☐ WIOA performance technical assistance delivered to all centers in PY [year] schedule and related documentation;
- ☐ State complaint log for PY [year];
- ☐ WIOA Local Area certification process State policy;
- ☐ ETPL policy and improvement plan;
- ☐ SWDB Youth policies: date of first service, date of participation, exit policies;
- ☐ State Youth policy and guidance issued to centers in PY [year];
- ☐ Youth contractor handbook;
- ☐ Three Youth contracts;
- ☐ Low-income and veterans' preference service policies;
- ☐ Adult and Dislocated Worker policies: cooperative agreements, supportive services, and needs-related payments;
- ☐ Priority of service policies;
- ☐ Veterans initiatives and/or services available policies provided to local areas and/or WIOA Local Areas;
- ☐ Business services and guidance issued to centers in PY [year] State policy;
- ☐ Rapid Response and any tools used during Rapid Response interventions in PY [year] State policy;
- ☐ Complaint policy and procedures
- ☐ Management of Rapid Response funds policies;
- ☐ Cooperative Agreements for TAA Program, Rapid Response, and Dislocated Worker services between [State DOL] (Rapid Response process agreement, TAA/NEG cooperative agreement, and [State DOL] cooperative agreement;
- ☐ One-Stop partners co-enrollment policy;
- ☐ Issuance and allocation of statewide funds procedures;
- ☐ PY [year] WIOA evaluation(s);
- ☐ Applicable waivers, waiver policy, and waiver usage and tracking information;
- ☐ Additional assistance with youth barriers and barriers to employment policy;
- ☐ Labor market information (LMI) examples provided to participants, career counselors, and job seekers;
- ☐ MIS data flow chart for ES, WIOA and TAA Program reports, if available.

Local Level - Documentation Request:

- ☐ Applicable program and WIOA Local Area policies and procedures;
- ☐ WIOA Local Areas in [WIOA Local Areas to be reviewed] organizational chart or charts;
- ☐ WIOA Local Areas customer flow;
- ☐ Completed monitoring schedule in PY [year] done by service providers and [WIOA Local Area to be reviewed] WIOA Local Areas, including any monitoring reports issued and all associated correspondence for PY [year];
- ☐ Exiters list in PY [year] for WIOA Dislocated Worker, WIOA Adult and WIOA Youth for [WIOA Local Areas to be reviewed]; along with an exiters list in FY [year] from the TAA Program from the [WIOA Local Areas to be reviewed] WIOA Local Areas. ETA chooses a sample for review on-site, and WIOA Local Areas should be prepared to supply access to the participant files;
- ☐ [WIOA Local Areas to be reviewed] WIOA Local Areas complaint logs;
- ☐ Complaint policy and procedures;
- ☐ Requires "Additional Assistance Youth Barrier" and "Faces Serious Barriers to Employment" [WIOA Local Areas to be reviewed] policies, if applicable;
- ☐ Workshops schedules available at WIOA Local Areas in [WIOA Local Areas to be reviewed] for applicable weeks of the review;
- ☐ Establishing WIOA eligibility procedures; and
- ☐ Participant data entry procedures.

WAGNER-PEYSER

For the period of ___ 01, ___ to ___ 30, ___, please make the following documents available prior to or during our site visit.

State Level Documentation Request:

- ☐ Applicable State and WIOA Local Area policies and procedures;
- ☐ Monitoring reports (PY [year]), tools, and schedule ([year]);
- ☐ Business services staff organizational chart, if applicable;
- ☐ Business services policies and procedures;
- ☐ MOU with partners for services at the WIOA Local Areas;
- ☐ Assessment tools;
- ☐ Relevant State management reports (performance); and
- ☐ Training materials including handbooks and PowerPoints.

PERFORMANCE MANAGEMENT & REPORTING

- ☐ Current organizational chart that reflects/highlights units/divisions/staff responsible for preparing, reviewing, submitting, and certifying reports to ETA;
- ☐ [State DOL] policies, guides, or handbooks regarding performance and reporting. Include performance monitoring policies and examples of monitoring reports or corrective action letters;
- ☐ Both Labor Exchange (LX) and WIOA reports MIS data flow charts, if available;
- ☐ Any data management, data quality, and internal performance reports routinely prepared for internal monitoring, continuous improvement and compliance; and
- ☐ Any performance management systems/tools/analysis made available to the LWDB and WIOA Local Area directors and staff.

WORKFORCE INFORMATION GRANT

- ☐ LMI department organizational chart;
- ☐ Access to the LMI department's grant file;
- ☐ Documents showing Workforce Information Grant (WIG) activities;
- ☐ Documents showing WIG accomplishments;
- ☐ The LMI department's PY [year] WIG file should include (but not necessarily be limited to) the following items:
- ☐ List of the LMI department trainings and consultations provided and received during PY [year];(i.e., consultations with State workforce development partners, the business community, the media, WIOA Local Areas, and other stakeholders);
- ☐ A list of the LMI department activities that supported SWDB meetings during PY [year];
- ☐ LMI website usage information during PY [year];
- ☐ Lists of the special studies and economic analyses conducted during PY [year] (and have samples available);
- ☐ Lists of the other publications produced during PY [year] (and have samples available); and
- ☐ The State's most recent annual (WIG) "Level of Demand" Report.

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) MOU with UI/partners for services at the WIOA Local Areas;
- ☐ Monitoring tools and plans;
- ☐ Training that has been conducted;
- ☐ Tools used for RESEA:
    - Career action plan, work search plan, LMI provided, etc.;
- ☐ All RESEA and Worker Profiling and Reemployment Services (WPRS) monitoring reports;
- ☐ RESEA and WPRS assessment tools;
- ☐ WPRS model characteristics and numbers served through profiling model (quarterly or weekly);
- ☐ Model usage and variables for RESEA program;
- ☐ RESEA and WPRS programs customer feedback for FY [year];
- ☐ Any relevant RESEA and WPRS State management reports.

WIOA Local Area – Documentation Request:

- ☐ RESEA and WPRS customer flow for participants and referrals to training, business services connections, etc.;
- ☐ Desk references/guides or training materials provided to RESEA and WPRS counselors and/or program leads;
- ☐ A list of RESEA case files from WIOA Local Area for FY [year] - approximately __ files to review will be selected (Note: this list is also used for W-P case file review);
- ☐ A list of WPRS case files from WIOA Local Area for FY [year] (same timeframe as RESEA) – __ files to review will be selected at the local level (Note: this list is also used for W-P case file review); and
- ☐ WPRS and RESEA program schedules for the dates ETA staff will be on-site, to enable for interviews, attendance at an RESEA and WPRS orientation session, and shadowing of an RESEA and WPRS participant during their one-on-one session.

MIGRANT AND SEASONAL FARMWORKER PROGRAM (MSFW)

Requested documents to be reviewed are for PY [year] for both the Central and Local Offices:

State Level – Documentation Request:

- ☐ MSFW "Equity and Minimum Service Level Indicators" reports, Agricultural Outreach Plan, daily MSFW outreach activity logs, complaint logs, WIOA Local Area monitoring review reports, and corrective action reports for PY [year];
- ☐ Agricultural labor force information – number of agricultural workers and agricultural employers in the State and WIOA Local Area service delivery areas;
- ☐ [State DOL] Policy Guidance Letters on the following:
  - MSFW service policy;
  - Complaint policy;
  - Agricultural job order policy;
  - Agricultural recruitment services;
  - Limited English Proficiency (LEP) services available at the WIOA Local Areas;
  - Business services outreach and services to agricultural employers; and
  - Memorandums of Understandings (MOUs or other agreements with WIOA Local Area partners).

WIOA Local Area – Documentation Request:

- ☐ WIOA Local Area staffing resources – availability of bilingual (Spanish and/or French) staff in significant offices;
- ☐ WIOA Local Area service plan;
- ☐ Information on "Best Practices" developed by the WIOA Local Area to serve MSFWs;
- ☐ Brief summary of circumstances or events (positive or negative) that impacts or has impacted WIOA Local Area performance;
- ☐ Lists of MSFW applicants and non-MSFW applicants for PY [year];
- ☐ Lists of agricultural job orders and non-agricultural job orders for PY [year];
- ☐ Daily outreach logs; and
- ☐ Job service complaint logs.

FINANCIAL AND ADMINISTRATIVE

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 recipients 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 aid significantly the analysis of the data and may give a financial picture to the overall progress of the grant.

Since most competitive grant recipients 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 recipient staff speaks freely about any topic they desire, to highly structured in which Reviewer ask series of questions and directs the grant recipient 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 recipient's staff or the Reviewer consciously or unconsciously influences the responses that the grant recipient'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 recipient 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 recipient 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 recipient 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 recipient 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 recipient iterates all the practices that led to increasing youth participation. The Reviewer can pick a few of these answers and probe the grant recipient 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 recipient staff more latitude to provide further details.

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 recipient staff to reflect on a situation and describe it. Such technique allows the grant recipient 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 recipient 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 recipient'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.

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 recipient'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 recipient'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 recipient 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 DOL's policy and the Uniform Guidance (2 CFR Part 200) and DOL Exceptions (2 CFR 2900) for competitive grants. Please review 2 CFR Part 200 and 2 CFR 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 Approval Action	Prior Approval Condition
DOL Policy	De minimis rate	Must obtain written prior approval from the Grant Officer.
DOL Policy	Use of unrecovered indirect costs to match requirement	Must obtain written prior approval from the Grant Officer.
UG Citation	**Section Title**	**Prior Approval Condition**
2900.10	Prior approval requests	Submit 30 days prior to effective date.
2900.16	Prior written approval	Only a grant officer has the authority to approve a written request. Inclusion of items in SOW or budget does not constitute prior approval.
2900.19	Student activity costs	Are generally prohibited, but prior written approval for activities that meet a program requirement.
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.
200.207	Specific conditions	Federal awarding or pass-through agency may impose additional specific award conditions as needed.
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).
200.307	Program income	Please refer to your terms and conditions of your grant agreement. DOL may already require the use of 'addition' method when expending program income.

UG Citation	Section Title	Prior Approval Condition
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 ten 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).
200.311	Real Property	Must request disposition instructions from Federal awarding agency or pass-through entity.
200.313	Equipment	Encumbering (200.313(c)(1)); Disposition instructions if required by terms and conditions of Federal award (200.313(e)).
200.332	Fixed amount subawards	Pass-through entities may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold with prior approval.
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.
200.430	Compensation – personal services	Institutions of Higher Education: Incidental activities, salary basis, consulting arrangements (200.430(h)(1)(ii))-(h)(2)) 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)).
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)).
200.438	Entertainment costs	Not allowable unless authorized in approved budget or prior written approval of Federal awarding agency.
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)).

UG Citation	Section Title	Prior Approval Condition
200.441	Fines, penalties, damages and other settlements	Costs resulting from violations of law or regulations
200.442	Fund raising and investment management costs	Fund raising costs for the purpose of meeting Federal program objectives.
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).
200.447	Insurance and indemnification	Insurance for risk of loss or damage to Federal government property.
200.454	Membership, subscriptions, and professional activity costs	Costs of membership in any civic or community organization.
200.455	Organization costs	Organization costs.
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.
200.458	Pre-award costs	Allowable costs incurred prior to effective date of the Federal award.
200.462	Rearrangement and reconversion costs	Cost of normal and ordinary rearrangement or alteration of facilities charged as direct costs.
200.467	Selling and marketing costs	Cost of selling or marketing any products or services charged as direct costs.
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.
200.440	Exchange rates	*Not applicable* because ETA grants do not have foreign operations.
200.470	Taxes (including Value Added Tax)	*Not applicable* because ETA grants do not have foreign operations.

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 through 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.
   a. 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.
   a. Procurement transactions must not restrict competition.
   b. Application of policies in all Federal and non-Federal procurements must be consistent.
4. 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.
5. A process that promotes **transparency** and awarding only to **responsible** entities.
6. Avoid the purchase of **unnecessary** or **duplicative** items.
7. Policies and procedures that address noncompetitive or **sole source** procurement.
8. **Document** and make available for review, the procurement history to include, but not limited to:
   a. 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.

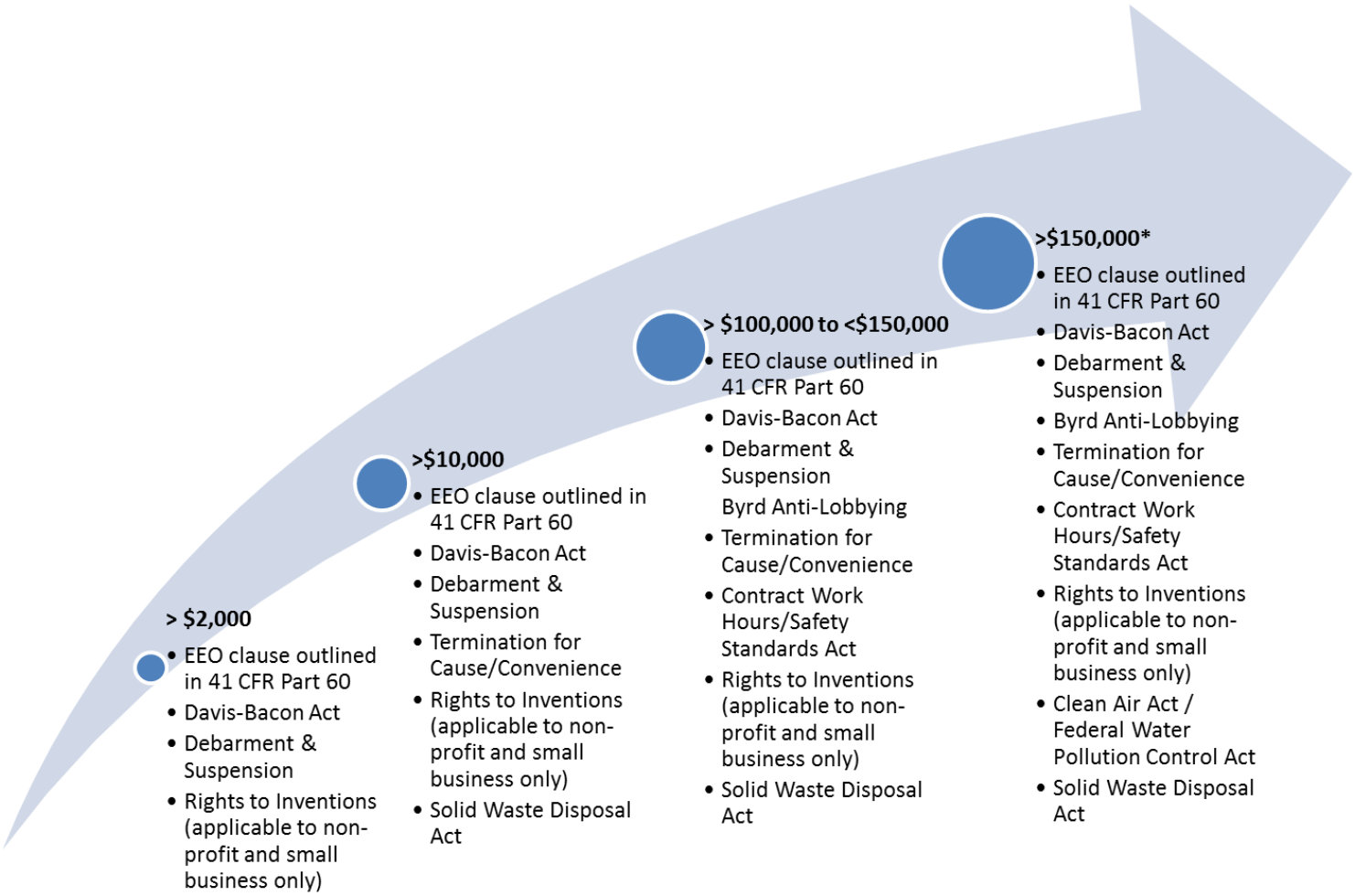
** Profit may not be earned from any Federal financial assistance award at 2 CFR 200.400(g) unless expressly authorized by the program.*

RESOURCE K: BACKGROUND FOR CONTRACT PROVISIONS

Purpose:

To provide the Reviewer with guidance regarding contract provisions/clauses. See Objective 2.d: Procurement and Contract Administration. Contract Provisions for Non-Federal Entity Contracts Under Federal Awards 2 CFR 200, Appendix II

In addition to other provisions required by the Federal agency or pass-through entity, all contracts made by the grant recipient under the Federal award must contain provisions covering the following, as applicable. For full text, please refer to 2 CFR 200, Appendix II.



* The threshold is subject to change and is periodically adjusted for inflation.

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: Records Management.

RETENTION OF RECORDS

Retention and Access Requirements for Records				
What records are affected?	All grant recipient and subrecipient financial & programmatic records, supporting documents, or other records required by program regulations, grant agreement, or reasonably considered pertinent to program regulations or grant agreement.		**What records are *not* affected?**	Records maintained by contractors or subcontractors, unless required in contract.
	However, to avoid duplication, an awarding agency can make special arrangements with grant recipients to maintain records that are of joint use and may transfer the records to its custody when it determines them to be of long term retention value.			
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.		
Start date of retention period	**General:** For grant support continued or renewed quarterly, retention period starts on the day grant recipient 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 recipient or subgrant recipient 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.	For **real property & equipment:** Retention period starts from the date of disposition replacement, or transfer at the direction of the awarding agency.	For **income earned post-grant:** When required, begins from the end of grant recipient's fiscal year in which the income is earned.	For **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 recipient 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 right 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 recipient's control except as required under 2 CFR 200.315 Intangible property. Unless required by Federal, state, local, and tribal statute, grant recipient are not required to permit public access to their records. The grant recipient'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
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 recipient institutions to charge Federal programs for administrative and facility costs associated with conducting Federal programs. A link to Health & Human Services' State-Wide Cost Allocation Plans (SWCAPs): https://rates.psc.gov/fms/dca/dca_swcap.html

- 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.

  DOL's Division of Cost Determination – List of Addresses and Telephone Numbers for the DOL Cost Negotiators may be found at: http://www.dol.gov/oasam/boc/dcd/

- National Office address and contact information:

  200 Constitution Avenue, N.W., S-1510

  Washington, D.C. 20210

  (P) 202-693-4100

  (F) 202-693-4099

Chief:	Victor M. Lopez
E-mail address:	lopez.victor@dol.gov
Phone number:	(P) 202-693-4106

- DOL DCD's Guidance on Indirect Costs for State/ Local Governments: https://www.dol.gov/oasam/boc/dcd/state-guide.htm

TOOL A: MOU & IFA 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 Partner:			
Checkpoints	**Y/N or Date**	**Adequacy**	**Comments**
Does the agreement contain:			
1. Parties to the 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, e.g., partner or funding changes? If yes, enter date.			
Is a reconciliation performed?			
Do they operate in accordance with their plan?			
In your judgment, is the process adequate and reasonable?			

For any identified finding, obtain relevant document/reports and share them with the Regional fiscal office.

TOOL B: WIOA ADULT PARTICIPANT FILE REVIEW

WIOA Adult Participant File Review

Case Manager: American Job Center:

Participant Name: Participant ID:

Eligibility	Y	N	Documentation/Comments
18 years or older			BC ☐ License ☐
Low income (priority)			TANF ☐ Welfare ☐ SNAP ☐ SSI/A ☐ SP ☐ Other ☐
Selective Service Registration			N/A ☐ Number:
Citizenship/Work Eligible			SSC ☐ BC ☐ Resident Alien Card ☐ Other ☐
Basic Skills Deficient (priority)			
Employment Status at Participation			Unemployed ☐ Unable to find Employment ☐ Employed but determined eligible by AJC (exception) ☐
Other Participant Information			
Veteran			Campaign ☐ Disabled ☐ Recently Separated ☐ Eligible Spouse ☐ Received DVOP Service ☐
Individual w/ a disability			
Offender			
UI Claimant			UI profiled ☐
Required Documentation			
Signed Application			
Grievance/Appeal/EEO			Grievance ☐ EEO ☐
Signed Information Release Form			
Co-Enrollment			
Referred by partner program			
Co-enrolled in another program			WIOA DW ☐ TAA Program ☐ W-P ☐ Other:
TAA Program eligible			

Co-Enrollment (continued)	Y	N	Documentation/Comments
Received W-P services			Dates of W-P services:
Received other program services			Program:
Basic Career Services Received			
Eligibility determination			
Orientation			
Initial assessment			
Referrals to partner programs			WIOA DW ☐ TAA Program ☐ W-P ☐ VR ☐ ABE ☐ Other ☐
Job Search/Placement			
Provision of Performance Inform. on ETPs			
LMI (job vacancies, in-demand, occupational skills)			
Supportive Services			Evidence they were offered/available ☐ Services received:
Financial aid for training			
UI claims processing help			
Individualized Career Services Received			
Comprehensive assessment			
IEP			
Group/individual counseling or mentoring			
Career planning/case management			
Pre-vocational services			
Internships and work experience			
Workforce preparation activities			
Financial literacy services			
Out of area job search/relocation assistance			
English acquisition			

Training	Y	N	Documentation/Comments
Received			Provider: Dates of Training:
Training Approval Documentation			
Training Eligibility			Unlikely/unable to obtain/retain employment at self-sufficiency wage ☐ In need of training to obtain/retain employment at self-sufficiency wage ☐
ITA			
Contract			OJT ☐ Insufficient ETPs ☐ CBO ☐ Higher education ☐ Pay-for-performance ☐
Work-based			Registered Apprenticeship ☐ Incumbent worker ☐ Transitional jobs ☐
Classroom			GED/HiSET ☐ ESOL ☐ Other:
Linked to local market			LMI proof provided Y ☐ N ☐
Attendance/Grades/Updates			Attendance ☐ Grades ☐ Progress Report ☐
Vendor on ETPL			Documentation provided: Y ☐ N ☐
In-Demand Occupation			
Degree/certificate/diploma			Degree ☐ Certificate ☐ Diploma ☐ Date:
Received Needs Related Payments?			
Results at Exit			
Exit Date			
Employed			N/A ☐ Employer: Date of Employment: Quarter after exit: Employment related to training: Y ☐ N ☐ N/A ☐
Credential			N/A ☐ Credential type:

Results at Exit (continued)	Y	N	Documentation/Comments
Earnings Gain			Previous salary: Current salary:
Wage Data Follow-up *Note: if entered unsubsidized employment, F/U required for 12 months			Type of follow-up: Frequency:
Last date of contact			
Additional Comments:			
Problems with file:			

TOOL C: WIOA DW PARTICIPANT FILE REVIEW

WIOA DW Participant File Review

Case Manager: American Job Center:

Participant Name: Participant ID:

Eligibility	Y	N	Documentation/Comments
Dislocation Event			Permanent Dislocation ☐ Natural Disaster ☐ Permanent Closure ☐ Substantial Layoff ☐ Displaced Homemaker ☐ Previously self-employed ☐
Dislocation Employer			Employer: Layoff Date:
Eligibility criteria			Unlikely to return ☐ Previous attachment to workforce ☐
Selective Service Registration			N/A ☐ Copy in file ☐
Citizenship/Work Eligible			SSC ☐ BC ☐ Resident Alien Card ☐ Other ☐
Participant Information			
Veteran			Campaign ☐ Disabled ☐ Recently Separated ☐ Eligible Spouse ☐ Received DVOP Service ☐ N/A ☐
Individual w/ a Disability			
Offender			
UI Claimant			UI profiled ☐
Required Documentation			
Signed Application			
Grievance/Appeal/EEO			Grievance ☐ EEO ☐
Signed Information Release Form			
Co-Enrollment			
Referred by partner program			
Co-enrolled in another program			WIOA Adult ☐ TAA Program ☐ W-P ☐ Other:
TAA Program eligible			

Co-Enrollment (continued)	Y	N	Documentation/Comments
Received W-P services			Dates of W-P services:
Received other program services			Program:
Basic Career Services Received			
Eligibility determination			
Orientation			
Initial assessment			
Referrals to partner programs			WIOA DW ☐ TAA Program ☐ W-P ☐ VR ☐ ABE ☐ Other ☐
Job Search/Placement			
Provision of Performance Inform. on ETPs			
LMI (job vacancies, in-demand, occupational skills)			
Supportive Services			Evidence they were offered/available ☐ Services received:
Financial aid for training			
Individualized Career Services Received			
Comprehensive assessment			
IEP			
Group/individual counseling or mentoring			
Career planning/case management			
Pre-vocational services			
Internships and work experience			
Workforce preparation activities			
Financial literacy services			
Out of area job search/relocation assistance			
English acquisition			

Training	Y	N	Documentation/Comments
Received			Provider: Dates of Training:
Training Approval Documentation			
Training Eligibility			Unlikely/unable to obtain/retain employment at self-sufficiency wage ☐ In need of training to obtain/retain employment at self-sufficiency wage ☐ Has skills/qualification to successfully participate in selected program ☐
ITA			
Contract			OJT ☐ Insufficient ETPs ☐ CBO ☐ Higher education ☐ Pay-for-performance ☐
Work-based			Registered Apprenticeship ☐ Incumbent worker ☐ Transitional jobs ☐
Classroom			GED/HiSET ☐ ESOL ☐ Other:
Linked to local market			LMI proof provided Y ☐ N ☐
Attendance/Grades/Updates			Attendance ☐ Grades ☐ Progress Report ☐
Vendor on ETPL			Documentation provided: Y ☐ N ☐
In-Demand Occupation			
Degree/certificate/diploma			Degree ☐ Certificate ☐ Diploma ☐ Date:
Received Needs Related Payments?			
Results at Exit			
Exit Date			
Employed			N/A ☐ Employer: Date of Employment: Quarter after exit: Employment related to training: Y ☐ N ☐ N/A ☐
Credential			N/A ☐ Credential type:

Results at Exit (continued)	Y	N	Documentation/Comments
Earnings Gain			Previous salary: Current salary: Type of follow-up: Frequency:
Follow-up *Note: if entered unsubsidized employment, F/U required for 12 months			
Last date of contact			
Additional Comments:			

TOOL D: WIOA YOUTH PARTICIPANT FILE REVIEW

WIOA Youth Participant File Review

Case Manager: American Job Center:

Participant Name: Participant ID:

Eligibility	Y	N	Documentation/Comments
Age/DOB			BC ☐ License ☐ Other ☐ DOB:
Parental consent (if minor)			
Eligibility Basis: OSY			16-24 ☐ AND ○ School dropout ○ Youth within age of compulsory school attendance but hasn't attended school for at least the most recent complete school year calendar ○ Recipient of secondary diploma/equivalent who is low-income and is BSD or ELL ○ An individual who is subject to the juvenile or adult justice system ○ Homeless ○ Pregnant or parenting ○ Has a disability ○ A low-income individual who requires additional assistance
Eligibility Basis: ISY			14-21 ☐ AND Low Income ☐ OR 5% non-low-income exempt ☐ AND ○ BSD ○ ELL ○ An offender ○ Homeless ○ Pregnant or parenting ○ Has a disability ○ A low-income individual who requires additional assistance
Low income documentation			Public Assistance ☐ Below Poverty Level ☐ Food Stamps ☐ Homeless ☐ Foster Child ☐ Disabled ☐
Selective Service Registration			N/A ☐ Number:

Eligibility (continued)	Y	N	Documentation/Comments
Citizenship/Work Eligible			SSC ☐ BC ☐ Resident Alien Card ☐ Other ☐
Veteran			Eligible Spouse ☐ Received DVOP Service ☐ Campaign ☐ Disabled ☐ Recently Separated ☐
Required Documentation			
Signed Application			
Grievance/Appeal/EEO			Grievance ☐ EEO ☐
Signed Information Release Form			
Program Elements Offered/Received			
Tutoring, study skills training, instruction, and evidence-based dropout prevention and recovery strategies that lead to completion of the requirements for a secondary school diploma or its recognized equivalent			
Alternative secondary school services, or dropout recovery services			
Paid and unpaid work experiences that have as a component academic and occupational education (summer employment, pre-apprenticeship, internships, job shadowing, OJT)			
Occupational skill training			
Education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster			
Leadership development opportunities			
Supportive services			
Adult mentoring (12+ months)			
Follow-up services (12+ months)			
Comprehensive guidance and counseling			
Financial literacy education			
Entrepreneurial skills training			
LMI on in-demand industries/occupations			
Postsecondary education and training transition preparation			
Key Dates			
Eligibility Determination			
Assessment			
Credential			
Entered Employment			
Exit			
Program Participation Type			Summer Youth ☐ Year-Round Program ☐

Assessment	Y	N	Documentation/Comments
Academic Assessment			Test type: Date: Math: _____ Reading: _____
Aptitudes Assessment			Self-assessment ☐ Test ☐ Resume ☐ Other:
Competencies, Interests			Application ☐ Work history ☐
Assessment of Barriers			Describe:
Ongoing Assessment			
Service Integration			
Referred to American Job Center			
Referred to partner program			Program:
Received W-P services			Dates of W-P services:
ISS/IEP Development			
Present, and signed			Signed by participant ☐
Chronological Dates			
Is it a 'living document?'			
ISS Review/Updating			Frequency: 1x/wk ☐ 2 wks ☐ monthly ☐ 3 mo ☐ never ☐
Short & Long-term goals			
Goal #1: _____			Type: Date Set: Date Attained:
Goal #2: _____			Type: Date Set: Date Attained:
Goal #3: _____			Type: Date Set: Date Attained:
Basic and Individualized Services			
Date of 1st Youth Service			
Comprehensive Assessment			
Services received			
Job search/referrals			Number of Jobs:
Supportive Services			Evidence they were offered/available ☐ Services received:
Training	**Y**	**N**	**Documentation/Comments**
Received			N/A ☐ Dates of Training:

Training (continued)	Y	N	Documentation/Comments
Training Approval Documentation			
Classroom			GED ☐ ESOL ☐ Other:
OJT			
ITA			
Skills Necessary			
Linked to local market			LMI proof provided Y ☐ N ☐
Attendance/Grades/Updates			Attendance ☐ Grades ☐ Progress Report ☐
Vendor on ETPL			Documentation provided: Y ☐ N ☐
In-Demand Occupation			
Degree/certificate/diploma			Degree ☐ Certificate ☐ Diploma ☐ Date:
Results at Exit			
Exit Date			
Employed			N/A ☐ Employer: Date of Employment: Quarter after exit: Employment related to training: Y ☐ N ☐ N/A ☐
Credential			N/A ☐ GED ☐ Credential type:
Earnings Gain			Previous salary: Current salary:
Wage Data			
Follow-up			Type of follow-up: Frequency:
Last date of contact			
Follow-up done for 12+ months			
Additional Comments:			

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 recipient's SF-424A and from the grant recipient's books of account.

	Budget Categories										
	Personnel	Fringe Benefits	Travel	Equipment	Supplies	Contractual	Construction	Other	Total Direct Charges	Indirect Charges	TOTALS
Year __											
% Budgeted											
% Expended											
Year __											
% Budgeted											
% Expended											

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 aid significantly the analysis of the data and may give a financial picture to the overall progress of the grant.

* *Since most competitive grant recipients 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 / PURCHASING POLICY CHECKLIST

Purpose:

To assist the Reviewer in determining that the grant recipient or subrecipient's procurement policy includes all the required elements in the Uniform Guidance's Procurement Standards. See Indicator 2.d.1: Procurement Standards.

Use:

Obtain a copy of its procurement/ purchasing policies and procedures and review for the following elements. Note that States must follow the same policies and procedures it uses for procurement with non-Federal funds (2 CFR 200.317 – Procurement by States).

PROCUREMENT POLICY CHECKLIST

Required Elements	Complied (Y/N)	Comments
Consistent 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*) ◆ 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		
Outlines procedures to confirm contractor's 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 a section on contract types/ vehicles including performance-based contracts		

*Subject to change. Thresholds are set by the Federal Acquisition Regulations (FAR) at 48 CFR Subpart 2.1 and 41 U.S.C 1908

TOOL G: PROCUREMENT HISTORY FILE

Purpose:

To assist the Reviewer in the review of the grant recipient'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 procurement/ purchasing actions from the grant recipient. Review the procurement history file and complete the following checklist below.

PROCUREMENT HISTORY FILE

1. Planning Phase: Documentation or evidence of the following? Y/N	
	Identification of need (e.g., duties/ responsibilities, budget, period of performance, and performance levels)
	Development of solicitation (e.g., RFP or IFB)
	Development of factors for evaluation/ scoring
	Identification of panel and signatory authority

2. Release and Evaluation Phase: Documentation or evidence of the following? Y/N	
	Publicize procurement solicitation
	Host bidders conference to ensure clarity of requirements
	Collect proposals/ bids
	Score and evaluate proposals/ bids
	Justification for a sole source selection

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).

3. Negotiation and Selection Phase: Documentation or evidence of the following? Y/N	
	Offer and acceptance
	Awarded to a responsible entity(ies)
	Negotiation of performance levels
	Negotiation of fair and reasonable profit (if applicable)
	Negotiation of payment details and frequency
	Negotiation of duration of contract, MOU, or agreement
	Obtain approval (if applicable)
	Evidence that an offer and acceptance was made
	Execution of a legal contract, MOU, or agreement

Best practices:

- Consideration should be given to such matters as integrity, compliance with public policy, record of past performance and technical resources.

4. Implementation Phase: Documentation or evidence of the following? Y/N	
	Conduct oversight and monitoring where requires and applicable
	Issuance of timely invoices
	Release of timely payments
	Monitoring performance in accordance with performance and service deliverables
	Evaluate and approve contract, MOU, and agreement modifications

5. Closeout Phase: Documentation or evidence of the following? Y/N	
	Reconciliation of costs and payments including cash advances
	Reconciliation of performance goals with actual performance
	Custody of participant and financial records
	Preparation of closeout letter or notice

TOOL H: SUBAWARD REVIEW WORKSHEET

Purpose:

To aid the Reviewer in gathering information used to determine if the grant recipient has an adequate system for administration of subawards. See Indicator 2.d.5: Contract Administration and Indicator 2.f.3: Post Subaward Responsibilities.

Use:

Obtain a list of subawards. Select a sample and complete the chart below.

SUBAWARDS CHECKLIST

Subrecipient Agreements									
				Review subawards to ensure inclusion of: (Y/N)					
Name of Subrecipient	**Amount of Award**	**Statement of Work (SOW)**	**Authorized Officials and Purpose**	DOL-Required Regulations	Uniform Guidance	Audit Requirements	Administrative Remedies for Cause or Breach	Record Retention Requirements	Grants' Terms and Conditions

TOOL I: CONTRACT REVIEW CHECKLIST

Purpose:

To assist the Reviewer in reviewing procurement contracts to ensure that it contains all the basic elements of a contract. See Indicator 2.d.5: Contract Administration and Indicator 3.g.1: Cost Allocation Principles.

Use:

Obtain a sample of contracts, MOUs, and agreements that the grant recipient has entered into. Based on a review of the document indicate the page that includes the following:

CONTRACT CHECKLIST

1. Basic Elements		Page #	Comments
	Includes signature and dates of the parties of the contract		
	Specifies a statement of work		
	Specifies period of performance		
	Authorized purpose and officials		
	Outlines payment schedule		

2. Performance		Page #	Comments
	Negotiated performance levels/metrics to be achieved		
	Description of services being provided		
	Methods for monitoring performance		
	Methods for reporting performance		

3. Specific Contract Provisions and Clauses		Page #	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		
	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: Subrecipient Monitoring.

TRACKING MONITORING REPORTS

Monitoring Reports Worksheet				
Entity	**Name:**	**Name:**	**Name:**	**Name:**
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)				

Use the space below, if necessary, to explain any issues identified.

TOOL K: POLICIES AND PROCEDURES CHECKLIST

Purpose:

To assist the Reviewer to ensure that common and applicable policies and procedures are current.

Use:

The following is a list of likely areas for an organization to have written policies or procedures. Check to ensure that an organization has those 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: Effectiveness and Efficiency of Operations.

KEY AREAS CHECKLIST

Likely Policy Areas for an Organization	Yes/ No
Accounting Systems	
(staff and participants, as appropriate)	
Allowable Costs	
Audits – Completion, Tracking and Resolution	
Budget Control & Modifications	
Cash Management – Petty Cash, Bank Reconciliations	
Chart of Accounts	
Closeout – Grants & Contracts	
Compensation & Fringe Benefits	
Complaints and/or Grievances (participants, staff, & bidders)	
Conflict of Interest, including Board members	
Debt Collection	
Disaster & Recovery Plan	
EEO – Resolutions, Appeals, and Hearings	
Fringe Benefits Package, Vacation and Leave, Pension, Severance Package (if any)	
Incentives/ Stipends	

Likely Policy Areas for an Organization	Yes/ No
Incident Reporting, Grievances, and Complaints	
Indirect Costs - Cost Allocations Plans or Approved Indirect Costs Rates	
Meals (staff, Board, participants)	
Monitoring - Resolution, Appeals & Hearings	
Participant/Program Services	
Payroll and Time Distribution	
Procurement/Purchasing	
Program Income, Match, & Leveraged Resources	
Property Management	
Receivables & Payables	
Record Retention	
Reporting – Federal & Subrecipient	
Salary & Bonus Limits (when applicable)	
Supportive Services	
Training (ITA, Refunds, etc.)	
Travel	
Written Code of Conduct	

TOOL L: SEPARATION OF DUTIES WORKSHEET

Purpose:

To aid the Reviewer in identifying the individuals responsible for a number of internal control functions within the organization.

Use:

Enter in the top row the names of staff who have any of the responsibilities listed in the table. Place a checkmark below a name if that person has responsibility for that function. Ensure that a single individual doesn't have responsibilities over multiple functions or functions that conflict within the process. See Indicator 3.a.1: Effectiveness and Efficiency of Operations and Indicator 3.a.4: Safeguard on Assets.

		Duties/ Responsibilities			
Organizational Process	**Control Owner Name of Individual**	**Recording**	**Custodian**	**Authorizing**	**Reconciliation**
Cash Management					
Financial Reporting					
Real and Personal Property					

		Duties/ Responsibilities			
Organizational Process	**Control Owner Name of Individual**	**Recording**	**Custodian**	**Authorizing**	**Reconciliation**
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	Is cost allowable (Y/N)?	How is it valued? e.g., actual cost, fair mkt. value, etc.	Reporting in grant recipient s accounting system and ETA 9130 form (Y/N)?	Does documentation support value (Y/N)?	Does documentation support that match has been expended (Y/N)?

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 General Ledger. Complete a worksheet for each transaction selected.

TRANSACTION TESTING

US DOL/ETA Financial and Administrative Compliance Review Working Papers			
Sample Item			Description/ Type of Cost:
Date			
Payee's Name			
Amount			Accrued (Y/N):
Approval Received (Y/N):			Consistent with financial policies (Y/N):
Allowable (Y/N):			Competition used (if applicable) (Y/N):
Adequate Support Documentation (Y/N):			Approved in grant budget (Y/N):

Cost Category & Allocation	
Total Amount:	Amount Allocated #1:
	Amount Allocated #2:
	Amount Allocated #3:
	Amount Allocated #4:
Allocation of Cost Reasonable to Benefit Received (Y/N):	
Need Additional Explanation/Documents:	
	Allowable to Grant: ☐ Yes or ☐ No
Questioned:	
Supporting Documents Obtained:	

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 appropriately allocated according to the CAP? Y/N*	*Final allocations appear to reflect the benefit received 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				
Is there a written audit appeal process/policy? Y / N				
Who is responsible for appeals received?	Name:			Phone:
Title:				
Review the policy for compliance:	Is the policy adequate? Y / N	Have any appeals been received? Y / N	Is there a log kept of the appeal? Y / N	If yes, is the log up to date? Y / N
Date Appeal Received	**Name of Appellant**		**Current Status**	
Test to determine if the appeals process was followed according to policy (Y/N):				
Explain results.				

Note: *Cross reference with debt collection if there are unresolved questions of costs.*

Use the space below, if necessary, to explain any issues identified.

TOOL Q: AUDIT RESOLUTION TRACKING CHECKLIST

Purpose:

To assist the Reviewer in determining compliance with requirements for subrecipient audit resolution. Grant recipients that expend $750,000 or more during the grant recipient'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 Tracking Checklist		
Entity Audited	Auditor	Fiscal Years
# of Findings: # of Open Findings:	Amount of Questions Costs ($):	Single Audit Missing:
Activity	**Comments**	**Check (✓)**
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		
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 recipient'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 recipient		
Reasonably reflect the total activity for which the employee is compensated by the grant recipient, 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 recipient-employee agreement, or an established policy of the grant recipient		
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 ASSESSMENTWORKSHEET

Purpose: To aid the Reviewer in assessing a sample size based on a risk assessment. See Indicator 2.f.2: Pre-Award Risk Analysis.

Use: Used in conjunction with Resource G: Sampling Methodology.

Risk Assessment

Grantee Name: _____ Period of Review: _____

Last On-Site Review: _____ Last Single Audit: _____

Grant Number: _____ Grant Amount: _____

Instructions: Each criterion can only be marked once. Low Risk should be marked as 1, Medium Risk as 2, and High Risk as 3.

Criteria		Low Risk Description	Score (1)	Medium Risk Description	Score (2)	High Risk Description	Score (3)	SCORE
1. General Assessment:								(Min 4 Max 12)
1a	Organization Experience	Entity has continuous experience managing federal funds for the past 5 or more years		Entity has 2 to 4 years recent experience managing federal funds		Entity is new or has less than 2 years experience managing federal funds		
1b	Responsiveness	Entity has submitted budget modification requests, ETA-9130 reports and Single Audit inquiries timely		Entity has periodically submitted budget modification requests, ETA-9130 reports or Single Audit inquiries in an untimely manner		Entity frequently submits budget modification requests, ETA-9130 reports and Single Audits late or is non-responsive		
1c	Overall Staffing	Turnover less than 10% and no staff reduction		Turnover over 10 to 30% and/or staff reduction under 10%		Turnover greater than 30% and/or staff reduction greater than 10%		
1d	Written Procedures	Entity demonstrated effective financial procedures covering major topics or objectives from the CMG		Minor updates or current modifications to enhance existing financial procedures		No written financial procedures or inadequate		
Total General Assessment Score:								TOTAL

2. Legal Assessment:								(Min 3 Max 9)
2a	Complaints or Incident Reports	No active complaints or incident reports		Entity had a complaint or incident in the last three years that resulted in an investigation		Entity has a current complaint or active OIG investigation		
2b	Other Investigations	Not aware of any legal issues involving staff that would have an effect on fiscal results		One or more staff has been jailed or convicted of a felony but was more than 3 years ago		One or more staff has been jailed, convicted of a felony or is currently under criminal investigation		
2c	Entity Lawsuits	No lawsuits have been filed against entity		Lawsuits identified but are minor in nature		Lawsuits identified and are considered a substantial audit risk		
Total Legal Assessment Score:								TOTAL

	Criteria	Low Risk Description	Score (1)	Medium Risk Description	Score (2)	High Risk Description	Score (3)	SCORE
3. Monitoring/Audit Assessment:								(Min 5 Max 15)
3a	Number of years since entity had an on-site monitoring visit	One		Two		Three or more		
3b	Prior monitoring findings	No significant findings for the past 3 years		Significant or unresolved findings in the past two years		Significant or unresolved findings annually		
3c	Period since last Single Audit	1 Year		N/A		More than a year		
3d	Significant Deficiencies or Material Weaknesses	Single Audits for any of the last three years did NOT contain either significant deficiencies or material weaknesses		Single Audits for any of the last three years contained either significant deficiencies or material weaknesses		Single Audits for each of the last three years contained either significant deficiencies or material weaknesses		
3e	High-Risk Designation or Reimbursements	Entity has not been on High-Risk or Reimbursement within the past three years		Entity was released from High-Risk or Reimbursement within the past three years		Entity is currently on High-Risk designation or on Reimbursement		
Total Monitoring/Audit Assessment Score:								TOTAL

4. Financial Stability Assessment:								(Min 8 Max 24)
4a	Accounting System	Accounting system is effective and provides receipts, expenditures, and obligations by grant		Accounting system is limited in capturing receipts, expenses, and obligations by grant		Accounting system cannot capture receipts, expenses, and obligations by grant		
4b	Cost & Time & Effort Tracking	System is effective in tracking costs and time spent on grants and projects		System is open to manual adjustments, application is not consistent or needs improvement		There is an overall lack of effective time and effort reporting and tracking of costs by project or grant		
4c	Internal Controls	Entity has an approved indirect cost rate or a written and 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		
4d	PMS Drawdowns & Cash Management	Entity has an effective control system that provides reasonable but not absolute assurance for the safeguarding of assets, the reliability of financial information, and the compliance with laws and regulations		Entity has an effective control system but has limited staff in the 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 the authorization, recording, and handling of transactions and assets		

		Low Risk		Medium Risk		High Risk	
	Criteria	Description	Score (1)	Description	Score (2)	Description	Score (1)
4e	PMS Drawdowns & Cash Management	Entity requests cash on immediate needs basis and has written cash management policies when issuing funds to subrecipients and participants		Entity has periodically drawn down funds in excess of immediate needs or written cash management policies when issuing funds to subrecipients and participants are not complete		Entity does not perform timely cash drawdowns from PMS or there are no policies in place to manage cash released to subrecipients and participants	
4f	Budget Controls	Entity employs budget control mechanisms through its accounting system and information is routinely shared with program staff		Entity either does not employ budget control mechanisms through its accounting system or routinely shares budgets with program staff		Entity does not have any budget control mechanisms in place	
4g	% DOL-ETA Funding	Entity is part of a government unit or ETA funding is less than 50% of overall funding		Entity is not part of a government unit and ETA funding is between 50 and 70 percent of total funding		Entity is not part of a government unit and ETA funding is between more than 70% of total funding	
4h	Line of Credit/ Late Bills / Bankruptcy	Entity does not use a line of credit to pay its bills, bills are paid on time and no bankruptcy has been filed		Entity periodically uses its line of credit and has not filed for bankruptcy in the last 3 years		Entity has exhausted its line of credit, is late paying its bills and/or has filed for bankruptcy in the last three years	
Total Financial Stability Assessment Score:							TOTAL

	Score		
Low Risk		Scores 20-30	Select a Sample of 25 or more transactions
Medium Risk		Scores 31-45	Select a Sample of 40 or more transactions
High Risk		Scores 46-60	Select a Sample of 60 or more transactions

SUMMARY OF RESULTS ◆ REVIEWER NOTES

Findings

Follow-Up Items

Areas of Concern

Promising Practices

Other Observations

COMPLIANCE DETERMINATION TOOL

Purpose: Use the tool below to identify items you want to explore further with the grant recipient. Determine if it is a requirement of the grant by identifying a citation. Request documentation or interview the grant recipient 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 (item to explore)	Citation (is this a requirement and what says it's a requirement)	Supporting Documentation	Conclusion (Finding, Observation, AOC, Best Practice)