CORE MONITORING GUIDE

FEBRUARY 2025

United States Department of Labor

Employment and Training Administration

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PART A – MONITORING: WHY AND HOW

BACKGROUND

The mission of the Department of Labor – Employment & Training Administration (DOL-ETA) or (ETA) is to contribute to the more efficient functioning of the U.S. labor market by providing **high-quality workforce** development, employment, labor market information, and income maintenance services primarily provided through state and local delivery systems. ETA accomplishes these goals through strategic grant-making wherein work is performed by grant recipients that align with the mission and strategic objectives monitored by Grants Management (GM) staff. The following core principles guide **ETA's grants management** activity:

- ◆ ETA will hold award recipients accountable for **performance outcomes** and/or performance metrics and will review past performance, where applicable, before making decisions on future funding. In addition, grant programs and recipients may be subject to a formal evaluation.

- ◆ ETA staff will act in an **ethical** manner and **free of conflict of interest** when working with grant recipients and stakeholders.

- ◆ ETA will be faithful to the American taxpayer by maximizing the return on investment of taxpayer funds and supporting programs that are outcome-focused and **results-oriented**.

- ◆ ETA will protect Federal taxpayers from **fraud**, **abuse**, financial mismanagement, and erroneous payments through quality monitoring, compliance, and technical assistance (TA).

- ◆ ETA will provide grant recipients with **clear** and **transparent** information and guidance on requirements, effective program practices, and efficient use of grant resources through **compliance assistance (CA)** and **technical assistance (TA)**.

The Core Monitoring Guide (CMG) can be used for both grant awards and cooperative agreements. A **grant agreement** is a legal instrument of financial assistance between a federal awarding agency and a grant recipient that is consistent with 31 U.S.C. 6302, 6304. A grant agreement is used to enter a relationship when the principal purpose is to transfer a thing of value from the Federal awarding agency to the grant recipient to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. 6101(3) for the definition of assistance); and not to acquire property or services for the Federal awarding agency's direct benefit or use.

A **cooperative agreement** is a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and an award recipient that, consistent with 31 U.S.C. 6302–6305, 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 recipient/subrecipient to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. 6101(3)). Cooperative agreements are not used to acquire property or services for the Federal government or pass-through entity's direct benefit or use. A cooperative agreement is distinguished from a grant in that it provides for substantial involvement between the Federal awarding agency or pass-through entity and the award recipient in carrying out the activity contemplated by the Federal award.

In the interest of plain English writing, references in this CMG to grants include cooperative agreements. The CMG **does not** cover **contracts** managed by ETA.

INTENT OF THIS GUIDE

The Office of Management and Budget (OMB) requires Federal award-making agencies to conduct oversight and collect financial and programmatic performance reports from the grant recipients that manage their grants and carry out their programs. Due to this requirement, two outcomes occur. The first is that the submission of both financial and

programmatic reports serves as a compliance mechanism to keep ETA accountable to OMB. The second is that ETA offices conduct monitoring of recipients to ensure effective stewardship of Federal funds.

The CMG is the official tool for GM staff to conduct monitoring. ETA utilizes monitoring as a means of tracking performance, holding recipients accountable, reviewing grant operations, and assessing compliance to ensure effective stewardship of Federal funds. The CMG provides a consistent framework that allows GM staff to conduct monitoring of any program. While general use of the CMG is expected, not all Core Activities, objectives, indicators, tools, or resources may apply to the award under review or time may not allow for full usage of the CMG. At times, opportunities to provide CA and TA are central to GM staff's functions and may be identified during a monitoring event.

A monitoring review is performed **on-site**, through enhanced desk monitoring review (**EDMR**), or a **combination/ hybrid** of both. EDMRs are an alternative method for fulfilling ETA's grant risk management and oversight responsibilities when an on-site review is not feasible or cost-effective. Although an EDMR uses the same monitoring instruments as an on-site review, this method is not a true substitute for on-site monitoring and should only be used when and where appropriately determined. An EDMR is conducted using the CMG and its program supplements. Please see ETO 3-21 for further guidance on EDMRs.

Please refer to the following ETOs for further discussion on monitoring: ETO 1-20, Change 1, and Change 2 - National and Regional Offices Role in Managing and Monitoring the Unemployment Insurance (UI) Program Reviews as part of Grant Management, and ETO 1-24 – Grants Management Policies and Responsibilities.

The CMG is intended to be used broadly by any GM staff on any program currently administered by ETA. Where appropriate, a program supplement to the CMG may be developed to call attention to certain features that are unique to a particular program. Any additional program supplements to the CMG will be made available on ETA's intranet website at https://etadesktop.doleta.gov/ogm/monitoring-resources/core-monitoring-guides/ (Note: this link is only available to ETA staff). General use of the CMG can apply to many programs, demonstrations, pilots, or initiatives administered by ETA. For example, programs authorized under WIOA sec. 169, Evaluations and Research, such as Reentry Employment Opportunities (REO) and Community Projects can be monitored using the CMG.

2024 UPDATE

The first CMG was developed in 2005 based on the premise that five core functions 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 required updates to reflect changes in Federal statutes, regulations, and program policies.

In 2018, the CMG was revamped to capture the current monitoring review process and address new programmatic, administrative, and financial requirements applicable to all ETA grant recipients, including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) which may also be referred to as OMB's Guidance for Federal Financial Assistance and DOL's adoption of it in 2014 at 2 CFR Part 2900. The Uniform Guidance consolidated eight (8) OMB Circulars governing Federal financial assistance awards including the Uniform Administrative Requirements: A-102, A-110, and A-89; Uniform Cost Principles: A-21, A-87, and A-122; Single Audit Requirements: A-133; and A-50 into a single document.

The 2024 update to the CMG is **limited in scope**. It captures policy and system changes at DOL and OMB since its release in 2018. Note that implementation of the 2024 revisions to OMB's Guidance for Federal Financial Assistance is effective for all Federal financial assistance awards issued as well as any amendments that result in additional grant funds given or any incremental funding issued **on** or **after** October 1, 2024. When conducting a monitoring review, it is important that staff examine the grant or cooperative agreement and identify the period of performance which will determine which version of the Uniform Guidance will apply.   The 2024 revisions to the Uniform Guidance apply to all federal grant awards issued on or after October 1, 2024, including any amendments to grant awards that result in the award of

additional funds, or any incremental funding awarded by ETA on or after October 1, 2024, and have a period of performance beginning on or after October 1, 2024.   Grant recipients with awards made before October 1, 2024, and that have a period of performance beginning prior to October 1, 2024, must continue to follow the Uniform Guidance revisions published in 2020. Staff should use ecfr.gov as the official authoritative source to validate the correct citations.

Lastly, revisions were made to align with the recently released ETO 01-24 - Grants Management Policies and Responsibilities. Lastly, tools and resources contained in the CMG have been cosmetically improved to enhance their usefulness in the field.

USERS OF THE CMG

GM staff serve as ETA's representatives, act as support for grant recipients, and handle day-to-day grant management functions. GM staff include supervisors (managers), Federal Project Officers (FPOs), unemployment program specialists, performance specialists, accountants, and financial management and administrative services staff. GM staff at the national or regional level coordinate the provision of post-award activities throughout the period of performance for an award. GM staff build relationships with the grant recipient by maintaining open communication, managing expectations, and acting in a professional, respectful, and responsive manner. ETA relies on the professional judgement and experience of its GM staff to carry out its monitoring functions successfully. ETA provides training to GM staff on the CMG and other subjects through the FPO Academy. Additional desk aids, tools, and internal guidance to assist GM staff in managing grants may also be 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) and WorkforceGPS.org.

FREQUENTLY USED TERMS – LANGUAGE CONVENTIONS

From time to time, the use of the term non-Federal entity is interchanged with grant recipient, award recipient, recipient, subrecipient, entity, or pass-through entity (PTE). OMB's Guidance for Federal Financial Assistance for Subparts A-E applies the terms "recipient", and "subrecipient" and in Subpart F, the term non-Federal entity is applied. There are instances of these terms interchanged throughout the CMG. Similarly, the phrase 'One-Stop center' is interchanged with American Job Center (AJC). Subrecipient and subawardee may be interchanged with subgrantee and subaward with subgrant. Also, "Federal award" or "Federal financial assistance award" is meant in the context of an award issued by DOL in the form of a grant or cooperative agreement and defined in 2 CFR Part 200.1 and **not** a **contract**.

Note that the OMB's Guidance for Federal Financial Assistance at 2 CFR 200.101(b)(1) discusses word usage when identifying a requirement versus good business practice or recommended approach. Where the guidance uses the word "must", it indicates a compliance requirement, whereas use of the word "should" or "may" indicates a good business practice or an effective approach rather than a requirement. ETA adopted this approach when identifying indicators and reviewing questions as either for compliance (C) or effectiveness (E).

STRUCTURE

The CMG is split into two parts: Part A, and Part B. Part A includes the **Monitoring: Why and How** which provides guidance on why GM staff monitor and how to conduct a monitoring review. Part B includes the three Core Activities, objectives, and indicators, as well as the Appendix which contains resources and tools for GM staff to use when evaluating the compliance or effectiveness of an indicator.

It is recommended that GM staff read Part A of the CMG before proceeding to Part B of the CMG.

Part A: Monitoring: Why and How

Monitoring: Why and How – Part A provides GM staff information on the importance of monitoring reviews, the purpose of oversight, and instructions on conducting a monitoring event. The instructions provide in-depth

information to GM staff with varying levels of experience and cover the three stages of monitoring: Pre-Monitoring Review and Preparation, Monitoring Review, and Post-Monitoring Activities.

◆ **Pre-Monitoring Review and Preparation** helps GM staff determine the objectives to focus on during the monitoring review. It is useful for GM staff to pre-assess performance, develop a review scope, and identify Points of Contact (POCs) before the monitoring event.

◆ **Monitoring Review** focuses on the monitoring activities that GM staff perform during the monitoring event.

◆ **Post-Monitoring Activities** provides GM staff with guidance on follow-up with grant recipients, preparation of the monitoring report, and resolution of monitoring findings.

Part B: Core Activities

Part B contains the appendix and three essential activities that are the **nucleus** or core of any grant or project's success. The three activities are listed below:

◆ **Core Activity 1. Service Design and Delivery** evaluates the grant recipient's strategy, design, and delivery of services and deliverables to accomplish the goals of the program or grant.

◆ **Core Activity 2. Grant Operations** evaluates the operations, performance, systems, and processes utilized by the grant recipient to effectively administer the program or the grant.

◆ **Core Activity 3. Financial Management** evaluates the systems, policies, procedures, and internal controls to effectively manage the grant or program in a manner that promotes accountability and transparency.

◆ **Appendix** contains the resources and tools that can be used in conjunction with the indicators. Resources provide additional context or information that assist GM staff in attesting to compliance or providing TA or CA for a particular indicator. Tools are additional checklists, worksheets, or forms that help in performing analysis or examination of a particular topic contained in an indicator. The Office of Grants Management (OGM) has converted many of these tools and resources into either fillable PDFs or Excel spreadsheets for easy sorting and filtering by the GM staff. These versions can be found on OGM's intranet site at: https://etadesktop.doleta.gov/ogm/monitoring-resources/core-monitoring-guides/

Objectives and Indicators

Each of the three core activities includes objectives. Each objective is centered around a specific activity or function required by law, regulations, commonly found practice/function in grants management, or an expected sound business practice. Each objective is sectioned off by indicators. Indicators are attributes or criteria under the objective that help affirm and attest whether an objective or requirement for the grant recipient is in compliance or being used effectively.

The CMG is intended to be universal and covers a wide range of operations and processes that have been employed by past and present grant recipients. GM staff will work with their manager to identify which Core Activities, objectives, and indicators to include in the scope of the review. Some indicators may not be applicable to the program or grant that is being monitored.

If an indicator attests to a specific law, regulation, or grant requirement it is considered a Compliance (C) indicator. If the indicator is centered around a good, sound business practice, it is considered an Effective (E) indicator. GM staff

should consider all indicators of an objective. Effectiveness indicators may result in an area of concern, observation, or an opportunity for CA and/or TA.

Some indicators are marked with a (C/E), meaning it could be either a compliance indicator or an effectiveness indicator, depending on any regulatory requirements associated with the program. If an indicator cannot be directly associated with specific policy guidance, a grant agreement, funding opportunity announcement (FOA), or regulations, it is likely considered an effectiveness indicator. For example, GM staff are reviewing supportive services (Indicators 1.e.6 – Supportive Services and 3.f.1 – Cost Principles), and in the CMG it is a C/E indicator. GM staff are specifically looking at incentive payments for their YouthBuild grant recipient under review. The grant recipient wants to boost completion/passing rates to their HiSET (High School Equivalency Test) classes by providing a nominal incentive payment to participants. Program regulations emphasize that incentive payments are contingent upon the achievement of a skill or training, such as passing a test, rather than just for attendance. Based on the program regulations at 20 CFR 688.570 and the Uniform Guidance, this indicator is categorized as a compliance indicator.

Another example is that while sustainability efforts are important to accomplish further outcomes beyond the initial grant funding, it is not specifically required in some programs. Therefore, Indicator 1.c.1 Sustainability Plan, a C/E indicator, is considered an effectiveness indicator if it is not contained in the FOA, grant agreement, or program regulation.

INDICATOR STRUCTURE

1. **Objective** – Centered around a specific activity or function required by law, regulations, or is a commonly found practice in grant operations or a sound business practice.

2. **Indicator** – Attributes/criteria that attest or affirm that the objective or requirement is being met. Indicators are separated below:

    ▶ "C" (Compliance) – Attest to a specific law, regulation, or grant requirement.

    ▶ "E" (Effectiveness) – A sound or good business practice typically seen in grant operations.

3. **Citation(s)** – Identifies the specific law, regulation, guidance, grant agreement, and/or term or condition that identifies the requirement associated with the indicator.

4. **Instruction(s)** – Each indicator includes steps /actions for GM staff to follow to attest to each indicator. Links to applicable **resources** and **tools** are provided to help GM staff in their analysis and examination.

5. **Tip(s)** – Additional information that may be helpful or provide context to the topic.

6. **Questions for Review and Discussion** – The questions should be used as part of an analysis or assessment of an indicator. **All** questions, and **not** just one question, must be answered to conduct a thorough analysis of the grant recipient's compliance or effectiveness in managing a grant. Note that GM staff may develop more questions based on responses received or observations.

7. **Notes** – GM staff may record notes as reminders to follow up with staff or their manager when wrapping up the monitoring review and finalizing the monitoring report.

① Objective 2.c: Property Management — *The grant recipient has the necessary elements and processes to ensure effective management of property, both tangible and intangible.*

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

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

③ Citation: 2 CFR 200.310

④ Instructions:

- ☐ Review a listing of the grant's real property, equipment purchased, or capital improvements that were purchased with grant funds. Review the grant recipient's insurance policy to ensure that there is sufficient coverage over these properties.

⑤ Tips

- ◆ Federally-owned property need not be insured unless required by the terms and conditions of the Federal award.

⑥ Questions for Review and Discussion

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

⑦ Notes:

TAXPAYER SUPPORT

This CMG and its Supplements were developed and paid for by DOL. The CMG is produced, published, and disseminated at United States taxpayer expense.

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SMART IS FOR EVERYONE

Effective and sound grants management is an activity integral to operations on both the Federal side and the grant recipient side. The Strategies for effective grants management are based on the four cornerstones of Monitoring, Accountability, Risk mitigation, and Transparency – **SMART**.

- ◆ **S**trategies for effective grant management for award recipients and ETA staff
- ◆ **M**onitoring – Promote oversight and compliance
- ◆ **A**ccountability – Ensure performance success and achievement of program goals
- ◆ **R**isk Mitigation – Conduct onboarding and reduce or mitigate risk in all aspects of operations
- ◆ **T**ransparency – Support mission critical initiatives and share results with external stakeholders

SMART is a DOL technical assistance initiative started by ETA's Office of Grants Management (OGM) in 2015 that includes a catalog of training modules for GM staff and grant recipients. Modules are available in English and Spanish and are housed on OGM's community of practice page – "Grants Application and Management" found here GAMS Page WorkforceGPS. ETA is further expanding its catalog by improving the existing training and tailoring it for an interactive learning management system (LMS) in the near future.

FEEDBACK

This product was developed with input from the regions and staff from the Division of Compliance and Policy (DCAP) in the OGM. Questions or feedback may be directed to compliance.policy@dol.gov.

DISCLAIMER

The CMG does not relieve staff of their obligation to represent the government's interest fully and faithfully. Instead, the CMG serves as a reference tool and taxonomy of potential compliance issues.

Readers are advised to use the CMG and its Supplements as a reference and technical assistance tool to ensure sound financial management and consistency in program and fiscal accountability. The CMG and its Supplements do not supersede or replace any Federal requirements. Any omission of an applicable Federal requirement from this supplement does not waive a grant recipient or subrecipient's responsibility to comply with that requirement. If, in any instance, the CMG and any of its Supplements appear to conflict with the program statute, Federal regulations, or OMB guidance, such conflict must be resolved in favor of the program statute, Federal regulations, or OMB guidance which take ultimate precedence.

THREE STAGES OF MONITORING

PRE-MONITORING REVIEW AND PREPARATION

During the Pre-Monitoring Review and Preparation stage, it is good practice to continue the open and ongoing communication that was established during the Onboarding process with the grant recipient. Communication establishes positive relationships that help lay the groundwork for a productive and collaborative monitoring event.

Preparation and pre-monitoring steps may include:

◆ Reading the grant agreement or State Plan, including all amendments.

◆ Assessing any requirements related to the specific grant or program.

◆ Reviewing the grant working file and other ETA systems containing information on the grant recipient.

◆ Analyzing any financial, program, and performance reports.

◆ Reviewing the results of the risk assessment to help tailor the review and focus on key problem areas.

◆ Provide, where applicable, CA or TA for those problem areas.

◆ Meeting with your supervisor or manager to discuss the scope of the review.

◆ Creating a formal notification of monitoring activity and request any documentation necessary prior to the monitoring visit.

◆ Communicating with grant staff by scheduling a preparation call.

Read the Grant Agreement or State Plan

◆ **Statement of Work**

GM staff must obtain a firm grasp of how the grant recipient delivers training and employment services through the public workforce system. Design and delivery also identify how the grant recipient engages with businesses and other stakeholders to provide quality customer service. GM staff gain an understanding of how the grant recipient provides program services to participants, employers, or other workforce system stakeholders.

◆ **Budget**

GM staff examine the line-item budget and narrative to understand how the grant recipient plans to utilize grant funds to accomplish its goals.

Assess Requirements

GM staff need to ensure that they are familiar with the applicable laws, regulations, and departmental guidance. The recipient of a grant award must fully comply with the rules and requirements specified in the award document (i.e. grant agreement). It is recommended that the award recipient contact GM staff when questions arise about what requirements apply in the event of a conflict. When two requirements appear to conflict with each other, the following hierarchy is considered:

◆ **Applicable Program Authorizations/Statutes:** Includes all authorizing legislation that governs the recipient's program.

◆ **Other Applicable Federal Statutes:** Includes any Federal statues in addition program's authorizing legislation.

◆ **Further Consolidated Appropriations Act:** Appropriations legislation gives the Department 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.

◆ **Implementing Regulations:** Includes program regulations that further govern the program, including any administrative provisions.

◆ **Executive Orders and Presidential Memoranda:** A signed, written, and published directive from the President of the United States or the Executive Branch and deemed National Policy.

◆ **OMB Guidance:** Includes OMB CFR Chapter II, Part 200, et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards: Final Rule. (Uniform Guidance). The Department of Labor's (Department or DOL) adoption of the OMB Guidance is at CFR Chapter II, Part 2900, which took place in December 2014. DOL's adoption includes OMB's approval of several exceptions (variances) that are necessary to ensure consistency with existing statute regulations, or longstanding practices.

◆ **DOL-ETA Directives:** These include TEGLs and UIPLs and both are used to transmit program development and interpretative guidance statements.

◆ **Award Package:** Includes a fully executed award agreement that may include all or some of the following: SF-424, SF-424A, grant application, budget narrative, project narrative (Statement of Work), letter of commitment or MOU with partners, NICRA or CAP, the Funding Opportunity Announcement (FOA), PMS Access Letter, and terms and conditions.

GM staff must be familiar with all the requirements applicable to the grant or project under review as the CMG may not include all of them. For example, there may be prohibitions or restrictions as a result of a National Policy, state/local statute, or local municipal order that was issued after the CMG. For instance, a state or city's minimum wage rate might be raised and become higher than the Federally recognized minimum wage and thus the grant recipient would adhere to the rate applicable in its state or city.

Review Grant Working File

The grant working file is a collection of documents that are stored in various modules within the GrantSolutions (GS) platform and other systems. A grant file or working file consists of information that, taken altogether, contains all the necessary documentation GM staff need to monitor a grant effectively. The information contained in the working file supports assessments of whether the grant recipient is fulfilling the specified requirements outlined in the FOA and grant agreement. Working files typically contain both hard copies and electronic files and serve as a system of record. The list below outlines some online systems that GM staff may use to collect additional information about the grant recipient.

◆ **GrantSolutions** – Used throughout the grant's lifecycle. GS includes the Announcement Services (AS) module, Application Review Services Module (ARM), Grants Management Service Module (GMM), and Grants Risk Monitoring Module (GRMM). GRMM is the primary module that GM staff utilize to populate a grant working file. This module replaces the legacy grant processing system E-Grants.

For a full listing of GS processes, activities, and an explanation of these systems, please review ETO 01-24 - Grants Management Policies and Responsibilities.

◆ **Payment Management System (PMS)** – PMS has long been used as ETA's portal for grant recipient cash drawdown and disbursements, and other cash management services provided to recipients of Federal financial assistance. GM staff have access to run reports on cash draws and the ETA-9130 quarterly financial reports submitted by the grant recipient. This replaced the legacy E-Grants Grantee Reporting System (GRS).

◆ **Workforce Integrated Performance System (WIPS)** – GM staff analyze performance data, as required by the Workforce Innovation and Opportunity Act (WIOA) and generate program and performance reports for formula and discretionary grant recipients. The following programs feed their data into WIPS: WIOA, WP ES, TAA, RESEA, NFJP, REO, YB, JVSG, H-1B Skills Training Grants, Job Corps, Apprenticeship, Community Project Grants, and Demonstration Projects. For a full list of performance reports and the applicable systems that these reports feed into, please refer to Resource E: Performance Reports and Systems.

◆ **Grantee Performance Management System (GPMS)** – GM staff access this system for participant tracking and reporting services for the Indian and Native American Program (INAP) and Senior Community Service Employment Program (SCSEP) programs. GPMS feeds into WIPS so that all tracking and reporting may be housed in one place. For a full list of performance reports and the applicable systems that these reports feed into, please refer to Resource E: Performance Reports and Systems.

◆ **UI Performs** – GM staff, specifically unemployment insurance program specialists, may access the UI Performs performance management system. UI operations are comprised of benefit eligibility determinations, payments or denials, an accessible appeals system, employer wage reporting, tax collection, and trust fund management. The UI Performs system of oversight includes two performance tracking categories. The first category is Core Measures, which encompasses oversight of key performance areas representative of the health of the entire unemployment insurance system. The Core Measures monitor key activities that have uniform national Acceptable Levels of Performance (ALPs). In the second category, DOL-ETA maintains Management Information data to facilitate analysis of performance and to assist in planning corrective activities when necessary. Management Information tracks state performance on subsets of Core Measures and ancillary activities such as interstate and federal programs.

◆ **Workforce Innovation and Opportunity Act State Plan Portal** – GM staff review WIOA Unified or Combined State Plans in this content management system to obtain an understanding of the state's four-year strategy and operational plan for the continuing implementation of the state's workforce development system.

- ◆ The **System for Award Management (SAM.gov) –** GM staff use [SAM.gov](SAM.gov) to query for unique entity identifiers (UEI), entity registration, debarred, suspended and exclusion records, access government-wide source of information about the prior performance of Federal contractors and grant recipients (Federal Awardee Performance Integrated Information System (FAPIIS)), search for assistance listings (formerly CFDA.gov), review wage determinations (formerly WDOL.gov), review contract opportunities (formerly FBO.gov), review contract data reports (formerly part of FPDS.gov), and access publicly available award data via data extracts and system accounts.

- ◆ The **Federal Audit Clearinghouse (FAC) –** GM staff use this website to access single audit records submitted by organizations who have received Federal awards of financial assistance and spend a certain threshold of funds each fiscal year. FAC was previously managed by the U.S. Census Bureau and was folded into/administered by the General Services Administration (GSA) as part of the [SAM.gov](SAM.gov) network of Federal databases and systems.

- ◆ The **Federal Subaward Reporting System (FSRS)** is the reporting tool for Federal prime awardees (i.e., prime contractors and prime grant recipients) to capture and report subaward and executive compensation data regarding their first-tier subawards. This system will be retired on May 2025 and General Services Administration (GSA) will add the FSRS.gov subaward reporting functions onto SAM.gov. The **Federal Funding Accountability and Transparency Act (FFATA)** legislation requires information on Federal awards (Federal financial assistance and expenditures) be made available to the public via a single, searchable website (www.USASpending.gov). https://www.fsrs.gov/

- ◆ **USAspending.gov** is the official open data source of Federal spending information, including information about Federal awards such as contracts, grants, and loans. It links over 400 data elements from many government systems, including agency financial systems and government-wide award systems. https://www.usaspending.gov/

Analyze Reports

GM staff should access and analyze the reports below to determine if the grant recipient is in line with meeting their performance metrics, program outcomes, or on track for efficiently expending grant funds within the limitations and restrictions outlined in the grant agreement. A thorough analysis of these reports helps GM staff provide TA and CA prior to the start of the monitoring review.

Financial Reports – ETA grant recipients must submit quarterly ETA-9130 reports into PMS (other agencies within the DOL require the SF-425 financial report). The ETA-9130 financial report collects financial data from grant recipients that includes obligations, expenditures, cash on hand, indirect costs, as well as any additional expenditure data that is required by the specific program.

Program Reports – Quarterly Narrative Reports (QNR) are reports that provide a comprehensive assessment of the progress of grant recipients in meeting expected milestones, performance indicators, and program requirements. Select ETA programs utilize the narrative report template (ETA-9179). QNRs are accessed through WIPs and may be added as a grant note in GRMM.

Performance Reports – Quarterly Performance Reports (QPR) contain performance data. Different programs have different QPR forms, and some programs may include joint and DOL-Only forms. Please review program regulations to determine which QPRs are appropriate. Reviewing QPRs in conjunction with the corresponding quarterly ETA-9130 report and QNR may reveal TA needs. In addition, and if applicable, GM staff may review the annual performance report (ETA-9169 – WIOA Statewide and Local Performance template). This document is a joint document between the USDOL and the Department of Education as a collaborative effort related to performance accountability. Review Resource E: Performance Reports and Systems for reports that GM staff may review based on the type of grant prior to the monitoring review.

Review Risk Assessment

ETA utilizes risk assessments as an evaluation of the grant recipient's capacity to fulfill the terms of their grant agreement based on key indicators. Risk assessments for ETA awards are required to be conducted during the grant's period of performance and recorded in GRMM. The results of a risk assessment are important for monitoring and assessing TA needs. Attached to this guide is Tool A: SMART Risk Assessment Scorecard. While this scorecard does not replace the risk assessment in GRMM, it can guide a GM staff's monitoring review by focusing on specific processes, objectives, or indicators.

Discuss with Manager

GM staff should meet with their manager or supervisor to discuss the scope of the review and the planned agenda. Any anticipated difficulties or challenges in identifying the scope should be addressed and resolved through this consultation.

◆ **Identify Period of Performance to Review**

Choose a full program year or a timeframe deemed appropriate by management as the focus of the review. For two-year awards, GM staff may want to choose the first program year period of performance or the period through the time of the monitoring review. For awards with a three, four, or five-year life, choose at least one or more full program/fiscal year's period of performance to review.

For formula awards, GM staff may want to consider choosing a period identified through a risk assessment and identify the last time the formula grant recipient was reviewed.

For discretionary awards, GM staff may consider reviewing the grant near the middle of its period of performance. Reviewing a grant towards the end of its period of performance would leave little time for the grant recipient to course correct, and reviewing too early may not give enough assurance to the GM staff that the grant is operating compliantly.

◆ **Select Location(s) to Review**

Many grant recipients have multiple office locations and GM staff should confirm the location which houses staff and records tied to the core activity areas selected for review. Also, confirm with the grant recipient which office (if there are multiple) houses the participant records and financial files.

If the grant recipient passed the bulk of its grant award's activities to another entity, GM staff should consider monitoring subrecipients and service providers. If the grant recipient has activity in many geographic areas, GM staff should determine which areas pose the most risk and/or which serve the greatest number of participants.

◆ **Select Core Activities and Indicators**

Select the core activities and indicators for the monitoring review. Some may not be applicable to the program or grant being monitored.

◆ **Prepare for Compliance Assistance and Technical Assistance**

Opportunities to provide CA and TA may arise at any time during the grant's period of performance and are not exclusive to during a monitoring event.

Transmit a Formal Notification Letter and Document Request

GM staff work with their manager to formally notify the grant recipient that a monitoring event will take place. In most cases, grant recipients are notified of the monitoring event in advance (15 to 60 days) to allow recipients ample time to gather and provide requested documentation. In lieu of a formal notification, and in accordance with office

policy, GM staff may elect to use e-mail instead of mail to confirm the review, dates, and requirements with the recipient which should include a signed notification letter from the manager or Regional Administrator.

GM staff may request documents be made available upon arrival or transmitted to the Regional Office in advance of the review. These documents are maintained by the grant recipient and are not available to GM staff as part of the pre-monitoring review described above. In transmitting documents, grant recipients and GM staff must take measures to actively protect Personally Identifiable Information (PII). Please refer to Tool B: Documents, Policies, and Procedures for Request and Review. This tool is also available as an Excel file that allows GM Staff to sort and filter the documents and is available on OGM's intranet webpage.

Schedule a Preparation Call

GM staff should schedule a preparation call with the grant recipient to discuss the goals and expectations of the review. GM staff must work with the recipient to finalize review dates, locations, period of performance under review, and confirm the grant staff that will be interviewed. GM staff should be strategic in identifying and requesting documents that link to the agreed-upon scope of the review. GM staff should not request documentation that is readily accessible in the various grants management systems.

MONITORING REVIEW

It is expected that the monitoring review be conducted in an open and transparent manner that will allow for the reciprocal sharing of information and concerns. The core principles of ETA grants management require that all staff behave in an ethical manner and are free of conflict of interest (see the Office of Legal Counsel, Counsel for Ethics at DOL Ethics Resources).

Monitoring review steps may include:

- Conduct an entrance conference with key personnel or persons who will be interviewed to explain how the monitoring visit will be performed and manage grant recipient expectations.
- Complete the indicators tied to the core activities to ensure compliance with Federal regulations.
- Identify potential issues by determining whether they are findings or areas of concern.
- Utilize the Five Whys technique to move beyond the symptoms of a problem and get to the root cause.
- Provide CA and TA on areas that are barriers to the grant recipient.
- Gather supporting documentation as evidence to support potential issues or findings.
- Conduct an exit conference with the grant recipient to discuss and review identified issues.

Conduct an Entrance Conference

The monitoring 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, GM staff should:

- Introduce the members of the review team
- Reiterate the purpose of the review
- Share the review agenda
- Confirm logistics – location of interviews, file review, and times for staff/board interviews
- Initiate discussions on any perceived critical issues that were identified during the pre-monitoring document review
- Describe the timelines for the monitoring report, grant recipient's response, and resolution process
- Acknowledge any current or future needs for CA or TA

Complete the Indicators

During the monitoring review, use of the CMG is **required.** While each GM staff member approaches the CMG in a different manner, here are some general guidelines:

- **Using Professional Judgment**

  Professional judgment involves applying relevant training, knowledge, and experience and making informed decisions about courses of action that are appropriate given the circumstances. GM staff are tasked with using their knowledge of program, administrative, and financial requirements to determine how to best utilize the CMG so that they can conduct an effective and efficient monitoring review.

  In addition, GM staff must consider all the information they have gathered in the pre-monitoring stage to determine which core activities, objectives, and indicators they would like to focus their time and resources on.

For example, if the grant recipient's prior three quarterly financial reports have been identifying that they are low spending, the GM staff may look to the corresponding narrative for an initial explanation. If the quarterly program narrative identifies that the reason for low expenditures is that recruitment has been slow and at the current rate of enrollment, it does not appear that the recipient will be able to meet their performance goals, the GM staff should consider focusing their time and efforts on the recruitment and enrollment process in Objective 1.e., as this objective may provide GM staff with interview questions to discuss with grant staff, possible tests to perform, and supporting documentation to review.

In addition, professional judgment must be applied while using the CMG. Based on interviewing key grant staff, an understanding of the grant's operations, testing performed, etc., professional judgment is needed to gain a deeper understanding of any issues identified. For example, when asking accounting staff about their low expenditure rates, interview not only accounting staff but also recruiting staff. Validate the accounting staff's response that low participant numbers are the reason for low expenditure rates. Discuss with program staff their outreach efforts in the community, walk through their recruitment activities, and examine any supporting documentation.

In addition, some questions in the CMG ask GM staff to use their professional judgment to assess if a non-compliance issue is due to a specific, individual, or isolated factor; or if instead, it is a systemic problem that is inherent in the grant recipient's operations.

◆ **Using Reasonable Assurance**

Based on the GM staff's knowledge and experience with the grant recipient, they may assess the level of confidence or comfort gained from the grant recipient's records, reports, supporting documentation, etc. In addition, the assurance that GM staff obtain from walking through a grant recipient's policy and procedures, answering the CMG questions, and performing the various tests will support GM staff's conclusion on grant operations. For example, if the result of interview questions and evidence from supporting documentation demonstrates that there are concerns surrounding the grant recipient's financial reporting process, then there is very little comfort or reliance taken from the quarterly financial reports. This may mean more testing of the reports to gain a reasonable assurance over the accuracy of these reports.

◆ **Reviewing Internal Controls**

While general use of the CMG is expected, GM staff must use their knowledge of the grant recipient's areas of risk and their use of internal controls to determine how they want to best utilize the CMG.

A review and walkthrough of a grant recipient's policies and procedures provides GM staff not only the assurance that the grant recipient has documented its internal controls but also that they are in place. In addition to walkthroughs, GM staff should test a grant recipient's internal controls by reviewing supporting documents to provide assurance that controls are operating effectively. However, if the walkthrough of the grant recipient's operations identifies a major risk of ineffective internal controls, the use of the CMG must be adjusted to address those risks.

Strong internal controls can also help dictate what areas of the grant operation GM staff should focus their review on. For example, if the grant recipient has a strong case management policy and GM staff find evidence that case managers are fully trained, participants' case files are fully documented with comprehensive notes, and there is strong supporting documentation that attests to a participant's eligibility, then GM staff will not have to review as many case files. However, the opposite is also true. If the grant recipient lacks a case management policy and procedures, or staff are not training properly, then GM staff would need to review more case files.

◆ **Conducting Interviews**

In most cases, GM staff need to interview grant recipient personnel to determine compliance with CMG indicators. Interviews range from completely unstructured, in which the grant recipient staff speak freely about any topic they desire, to highly structured, in which GM staff ask a series of questions and direct the grant recipient staff to limit their answers and comments to only these questions. During the interviews of key grant staff, professional judgment is needed to gain a deeper understanding of any issues identified.

During the interview process, GM staff may uncover alarming trends or practices that necessitate the need for further action by GM staff. For example, a non-compliant practice can trigger an opportunity for GM staff to provide CA. If the interview leads GM staff to believe that the issues uncovered cannot be remediated with TA or CA, and the issues presented require additional assistance and support from ETA management or a Program Office, GM staff should request additional documentation to bring back to their offices to discuss further with appropriate staff when the monitoring event concludes.

GM staff should corroborate responses received from interviews with evidence such as supporting documentation. For example, if an accountant claims that all competitive procurement requests for proposals (RFPs) are solicited for a minimum of one week, as prescribed in the grant's own procurement policy, then GM staff should review a sample of RFPs and procurement history files to support that claim. A GM staff member's initial reaction may be to trust the grant recipient's interview answers at face value; however, this should be corroborated with strong evidence such as supporting documentation.

◆ **Selecting And Testing Samples**

GM staff select and test samples of a population which may be participant case files, transactions, contracts, reports, invoices, vouchers, bank statements, inventory records, etc. which enables one to make more accurate inferences about a grant recipient's compliance over a population. Sample analysis is at the GM staff's discretion and their supervisor should be included in that decision. For example, GM staff know that a grant recipient is new to receiving Federal funds and the risk assessment identified areas within the grant's operations as high risk, including payment processes lacking adequate segregation of duties. As a result, GM staff identified a greater amount of payments to sample and test to ensure payments are accurate, posted correctly in the general ledger, and tied out or reconciled to the cash draws from PMS. For more information on how to determine the sampling method, sample population, sample size, and analysis of results with or without extrapolation, please refer to Resource B – Sampling Best Practices.

Identify Potential Issues

Walkthroughs, interviews, or testing may yield potential issues that will be either findings or areas of concern. It may also identify best practices and opportunities for TA and CA. GM staff will discuss with their manager any potential issue that may be deemed a possible finding.

◆ **Utilize the Five Whys Technique**

To better understand the relationship between symptoms, conditions, and root causes, let's consider the Five Whys Technique and the **iceberg model** for **problem-solving**. The iceberg model illustrates the concepts behind the Five Whys Techniques. The Five Whys technique considers an **anecdotal observation** and the number of iterations usually needed to **resolve** the problem. This technique helps determine the root cause of a problem by repeating the question "Why?" Each answer forms the basis of the next question. Each time a GM staff asks "why", it will lead them closer to a corrective action or solution that goes beyond the surface of what they see to reach the root cause.

As GM staff conducts a review, they will come across "symptoms" that indicate a problem. When visualizing an iceberg, **symptoms** are what they see above the surface or water but, as they dig deeper or continue to ask

"Why", they get to the **condition**, which is the problem or violation. And, then just below the surface or under the iceberg is the **root cause**, the reason for the symptoms and condition.

The Five Whys Technique challenges GM staff to find the root cause behind a problem that will lead to finely crafted findings and long-lasting solutions or corrective actions instead of surface-level quick fixes.

The example below shows the process for uncovering the root cause for low enrollment and poor performance using the Five Whys Technique.

THE FIVE WHYS TECHNIQUE

Issue: Low Performance & Low Enrollment

1. WHY DID THE GRANT RECIPIENT NOT MEET ITS ENROLLMENT TARGET AT 9 MONTHS FOR A TWO YEAR YOUTHBUILD GRANT?

   Not enough youth were referred to the program and case managers were incorrectly determining individuals as ineligible during intake and eligible assessment.

2. WHY WERE SO MANY INDIVIUALS DEEMED INELIGIBLE AND BEING TURNED AWAY?

   The outreach and recruitment were being conducted by inexperienced & ill-equipped case managers.

3. WHY ARE CASE MANAGERS INEXPERIENCED AND ILL-EQUIPPED?

   New staff received poor and little training on outdated participant-intake forms which incorrectly identified eligibility criteria. Also, the recruitment and outreached team relied heavily on referrals from their local AJC.

4. WHY ARE THE INTAKE FORMS INCORRECT AND SOLELY DEPENDENT ON AJC REFERRALS FOR RECURITMENT?

   Due to staff retirements, existing staff did not have time to update their policies and procedures to reflect new regulations. Foot traffic to the AJCs has significantly decreased in the four years, a new outreach approach is needed to attract young people to the program

5. WHY IS THE GRANT RECIPIENT NOT FILLING VACANCIES AND WHY AREN'T CREATIVE OUTREACH MEASURES BEING USED?

   Staff pay scale is too low to attract qualified candidates to hire. Also, one-stop partners acknowledged that youth typically do not 'walk-in' seeking services. Instead, the grant recipient must seek them out by conducting their youth outreach by visiting local high schools, juvenile/teen community center and/or social media

1
2
Symptoms

3
4
Condition

5
Root Cause

**USDOL – ETA OGM
Questions and Comments?
Send to:
compliance.policy@dol.gov**
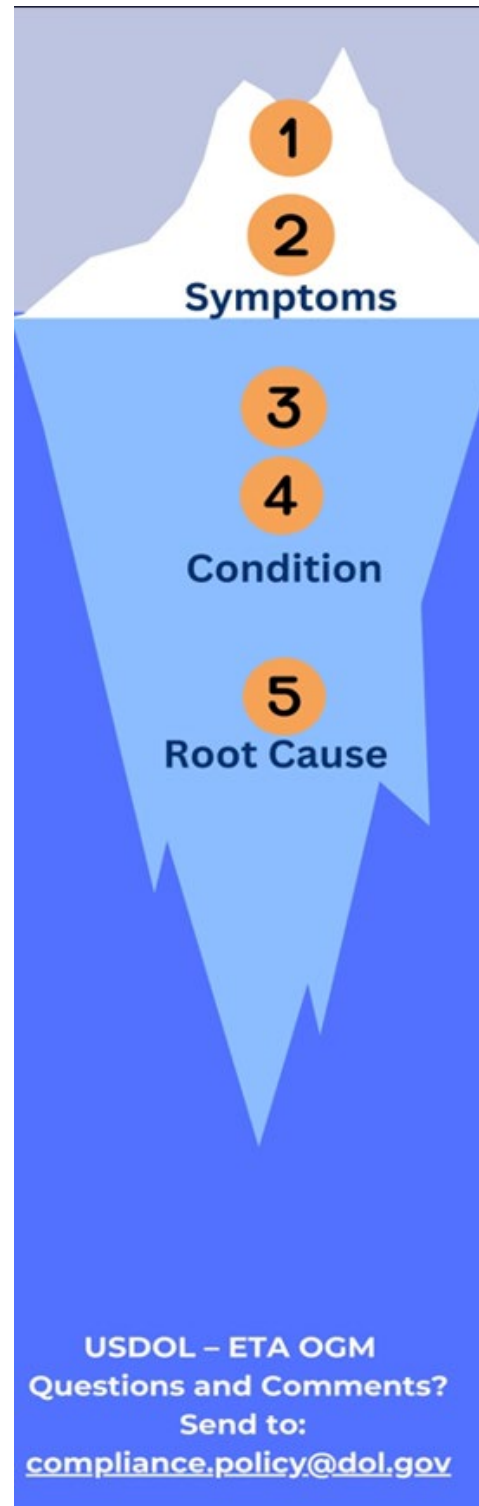
While it is difficult at times to discern between symptoms versus root cause, identifying the root cause in a monitoring report leads to a more effective corrective action and minimizes any symptoms repeating in the future.

During the review, it is a good opportunity to discuss and jointly determine the causes of the issues and what corrective actions or compliance assistance 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.

Provide Compliance and Technical Assistance

Two essential functions of GM staff are to offer and provide CA and TA. There are instances where grant recipients fall short and are not always in compliance with laws and regulations or their operations impede the effectiveness of the grant. These are blind spots that will become visible at any time during the operation of the grant.

◆ **Compliance Assistance (CA)**

CA are actions taken by the Program and/or Regional Office to support a recipient's compliance with requirements contained in law, Federal regulations, policies, FOAs, TEGLs, UIPLs, and the Uniform Guidance. This consultative engagement is intended to improve and achieve compliance with the grant's terms and conditions, including applicable laws and regulations. Such actions are intended to evaluate the management and performance of the award, the quality of the program and/or services, and to determine if the program is operating in compliance with the grant agreement and in a manner that ensures the achievement of its program goals and performance outcomes.

CA may be in response to a conversation, a result of a risk assessment, a review of fiscal and/or program reports, a monitoring event, a complaint received from an interested party, or in response to any knowledge of a specific violation(s). CA can be delivered in a variety of ways which include, but are not limited to, direct communication; coaching; an EDMR; or an in-person monitoring visit. No matter how it is delivered, the aim of compliance assistance is always to ensure the grant recipient becomes knowledgeable of and compliant with laws, Federal regulations, policies and procedures, FOAs, TEGLS, UIPLs, and the Uniform Guidance.

CA may be provided at any time in the life of the grant. CA can also be an early intervention by GM staff to assist grant recipients who may have potential areas of non-compliance. Many times, what started as TA activities with a grant recipient can easily pivot into CA activities. The goal is always to have the grant recipient achieve the corrective action needed to come into compliance. If an issue identified (outside of a monitoring event) is resolved per the GM staff's guidance, no further action is required by the grant recipient. Should the issue not be resolved, it would trigger further required corrective action, such as an EDMR, at-risk designation, or an on-site monitoring visit.

◆ **Technical Assistance (TA)**

TA aims to improve the effectiveness and management of ETA programs and connect grant recipients with sound and established practices. This consultative engagement is intended to improve and achieve effective implementation of the grant's service delivery strategies and in turn achievement of the intended programmatic outcomes and performance metrics. TA proactively connects grant recipients with sound and established practices or emerging service models.

Below are two examples illustrating CA and TA activities. While TA and CA may both be offered at the same time, there are instances where they are also offered separately and distinctly.

Example 1: During a local area review, the state had identified that a discretionary grant recipient did not fulfill its role and responsibilities as a required one-stop partner, as prescribed by WIOA law. The state provided no assistance to the local area and/or the discretionary grant recipient. The finding was identified by GM staff during a monitoring event and included in a monitoring report.

CA provided: During the monitoring event and in follow-up conversations, the GM staff explains the role and responsibilities of a required partner, including providing access to its program, entering into an MOU, and contributing to IFA costs. GM staff requires that an executed MOU be sent to the Regional Office for review. Lastly, GM staff advises the state that it has a responsibility to provide CA to its local areas including assistance on outreach to required one-stop partners, especially any newly awarded discretionary grant recipients.

TA provided: The GM staff offers the state, LWDB, and discretionary grant recipient some coaching/consultive advice on the various stages of a partnership development model. An example of such a model involves moving from simple cooperation to coordination (slightly more complex relationships) to a true collaboration along key business areas (may include governance and decision-making; communication; resource development; implementation of priority strategies; accountability; and continuous improvement).

Example 2: GM staff's review of quarterly performance reports reveals a first-time YouthBuild (YB) grant recipient is struggling to meet planned participant enrollment goals. GM staff determined that the grant recipient's current participant outreach and recruitment strategies are not effectively producing the intended number of potentially eligible youth to meet the cohort enrollment targets, thus resulting in low enrollment outcomes. During the TA session, the YB project manager asks the GM staff how to properly determine and document YB participant eligibility determinations under 20 CFR 688.300(b).

In accordance with 20 CFR 688.300(b), not more than 25% of the participants in a YB program may be individuals who **do not** meet the requirements of either a school dropout, an individual who has dropped out of school and subsequently reenrolled, or meets one of the eligibility criteria described under 20 CFR 688.300(a)(3). 20 CFR 688.300(b)(1) and (2) add further possible eligibility criteria that if such individuals are basic skills deficient (as defined in 20 CFR 688.120), despite having attained a secondary school diploma or state equivalent; or have been referred by a local secondary school for participation in a YB program they also can qualify.

CA provided: The GM staff reviews the current intake and eligibility policies including the intake form case managers use to make eligibility determination, and an assessment that includes a basic skills deficiency determination. The GM staff found that grant staff were not aware of the criteria and definition of basic skills deficiency at 20 CFR 688.120. Additionally, grant staff were not following policies and were not documenting eligibility determinations. The GM staff reviews the requirement with the YB project manager and their staff, explains the 25% rule, evaluates the use of the basic skills assessment implemented at intake, and clarifies the documentation required to validate that the applicant is in fact testing below an eighth-grade level of competence in reading, writing, or computing skills.

Through this early intervention of CA activities, the YB grant recipient may have avoided a potential monitoring finding and questioned costs associated with both improper participant eligibility determination, and incorrect application of the 25% rule.

TA provided: Upon reviewing the outreach and recruitment strategies included in the statement of work as well as examining the grant recipient's implementation of those strategies, the GM staff directs the grant recipient to the YouthBuild Community of Practice on WorkforceGPS, which provides information on evidence-based practices for YB participant outreach. Some approaches include making effective use of youth-oriented social media channels; establishing a QR code for outreach materials shared throughout the community that links to an online YB application for interested youth with text messaging follow-up; linkages with the LWDB's Youth Council; and expanding outreach collaboration with other youth-serving community-based organizations and service providers in the grant recipient's service delivery area.

GM staff also advise on how the grant recipient can leverage services through the LWDB and local American Job Centers. GM staff also recommends that the YB grant recipient update its policies and procedures to outline the

documentation needed to adequately reflect eligibility determination and basic skills deficiency. Finally, GM staff recommended the training of YB grant recipient staff regarding the updated policies and procedures.

Gather Supporting Documentation

GM staff must gather documentation as evidence to support potential findings or compliance issues. Documents may also contain anecdotal notes from GM staff that were taken during any portions of the monitoring event. The documents collected could be a result of using the Five Whys technique to further develop a more conclusive determination of the root cause.

Such documentation becomes part of the monitoring file. It is at the GM staff's discretion whether to make field notes in the CMG document or by using the Technical Assistance and Notes module within GRMM. GM staff can organize their notes and documents by mimicking the CMG structure into a digital or hard copy file. It is suggested that the collection aligns with the objectives and indicators for an effective and organized monitoring report. Documentation with PII should not be transmitted or released without assurances that it will be protected, and GM staff must take proper safeguards if PII information is contained in the grant file.

Conduct an Exit Conference

The exit conference is the opportunity to discuss the potential issues uncovered during the review. It is best to keep your grant recipient updated on any issues identified during the monitoring event so that nothing comes as a surprise during the exit conference. Everything that is to be contained in the monitoring report should be discussed during the exit conference. In many instances, GM staff may want to take back issues to management or take a closer review, after the exit conference, of the evidence and discuss it with grant staff and management, as necessary. In such cases, GM staff may perform a preliminary exit so that issues can be brought back to the Regional Office.

Depending on the complexity of the issues identified, another exit conference may be warranted. In this circumstance, the official exit conference, conducted by telephone or video conferencing, is scheduled for a later date. This is also an opportunity to clarify any of the issues that GM staff noted during the monitoring event and for the grant recipient to rebut or correct any incorrect conclusions or incomplete determinations. Before concluding, GM staff must explain whatever follow-up activities may be required of the recipient.

POST-MONITORING ACTIVITIES

The results of a monitoring event include the issuing of an evidence-based monitoring report. The monitoring report is another form of timely communication.

Post-monitoring activities may include:

◆ Brief management and, if necessary, perform more in-depth research on issues identified during the monitoring event prior to finalizing and issuing the monitoring report.

◆ Draft the monitoring report to address all compliance findings, areas of concern, and/or observations identified during the review.

◆ Issue the monitoring report to the grant recipient timely. GM staff should refer to their Regional Office's Standard Operating Procedure (SOP) on the timelines and required levels of review for monitoring reports.

◆ Record finding resolution activities in the Monitoring Module and track until all findings are resolved.

◆ Enter all results of the monitoring into the Monitoring Module on GRMM.

Brief Management

After completing a monitoring event, GM staff should brief their manager on any significant findings or issues found during the monitoring event and/or shared during the exit conference. Management may instruct GM staff to conduct more research to make a thorough determination of issues/findings that will be part of the report.

Draft Monitoring Report

GM staff should draft the monitoring report to address all compliance findings, areas of concern, and/or promising/ best practices, identified during the monitoring event in a plain language manner that is understood by the intended audience. 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, 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 the problem: The grant recipient did not document a physical inventory of equipment purchased with YouthBuild funds for the period from July 1, 2024, through September 30, 2026.

◆ **CAUSE** is a statement that explains why the condition occurred (or is occurring). The root cause identified by GM staff may not be the exact reason the problem exists but using the Five Whys technique and using analytic skills will lead to a better solution than without it.

Example – Explain why the problem exists: The grant recipient was not compliant because of a lack of written procedures and delegation of duties addressing equipment management.

◆ **CRITERIA** are the standards or regulatory requirements that are being violated. Criteria identifies or prescribes the required or desired state with respect to the condition. Examples of criteria are laws, regulations, Uniform Guidance, the grant agreement, terms and conditions, TEGLs, UIPLs, and performance standards. With criteria, always cite the highest authority available first, then add lower-level authority if it adds clarity.

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 or recommendations that eliminate the root cause, correct/cure the condition, and allow symptoms to disappear. An appropriate corrective action corrects the condition, prevents its recurrence, and provides long-term solutions rather than short quick fixes. Corrective actions use direct language, such as "shall" or "must," establish timelines for resolution, identify steps to take, and describe the specific documents needed to evidence that the finding was resolved.

Example – Discuss the actions and documents 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. The results of the physical inventory and the updated written policy must be shared with the Regional Office within 60 days of the receipt of the monitoring.

Areas of Concern – Areas of concern or observations are not specific compliance violations but may have negatively impacted the program or potentially lead to a finding in the future. No corrective action is specified or required for area(s) of concern or observations, but GM staff may include suggestions for improvement.

Promising Practices – Promising practices are grant-related activities that are considered 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.

Issue a Monitoring Report

There are pre-determined sections within a monitoring report and the six Regions have flexibility in structuring their reports using those sections. GM staff should consider their Regional SOP for guidance related to their programs. Note that PII should not be contained in the report.

The monitoring report typically contains the following nine sections:

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 discretionary 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 Administrator of that Program Office.

2. **Executive Summary** – This section summarizes the findings, areas of concerns, and/or promising practices.

3. **Scope of Review** – This section outlines the following information:

   ▸ Dates of review and exit conference
   ▸ Sites/locations visited within the scope of the monitoring event
   ▸ Names of ETA staff members who conducted the review
   ▸ Names and titles of those in attendance at the exit conference
   ▸ Purpose of the review
   ▸ Grant numbers and/or programs reviewed
   ▸ Time periods for data covered in the review
   ▸ Tools used for review – In most instances this would be a list of the content areas in the CMG and supplements, if applicable.

4. **Background** – 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 is optional for formula grant recipients but required for discretionary grant recipients.

5. **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.

6. **Performance and Financial Charts** – Summarize fiscal and performance results 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 the analysis or within the scope of the review. 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. Where there is significant variance, GM staff 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.

The table below provides an example of performance outcomes for YouthBuild through June 30, 2025:

Key Outcomes	Actual	Planned for POP	Percent of POP Plan
Youth Education and Employment Rate – 2nd Quarter After Exit	112	200	56%
Youth Education and Employment Rate – 4th Quarter After Exit	84	150	56%
Median Earnings – 2nd Quarter After Exit	27	60	45%
Credential Attainment	36	120	30%
Measurable Skills Gain	18	90	20%
Effectiveness in Serving Employers	10	80	10%

7. **Findings and Corrective Actions/Recommendations** – This section lists each finding from a compliance indicator, using the 4 Cs to fully identify the issue and its resolution. Compliance findings do not exist unless a regulatory requirement has been violated.

8. **Areas of Concern** – This section lists activities related to effectiveness indicators that have not been met and could possibly result in a finding at some later point if not addressed. See above for more information on areas of concern.

9. **Promising/Best Practices** – A promising practice is one that is: observed by the GM staff; a workforce development activity or strategy; and replicable, scalable, and demonstrates that the effect of the practice is observed in performance outcomes. Promising practices should allow the reader to understand the practice fully and clearly; and why/how the practice is notable.
Note that the inclusion of promising practices does not constitute ETA endorsing the practice or a recommendation for future funding.

◆ **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 contains useful information for the grant

recipient. The report should reflect the results of using the Five Whys problem-solving technique. The writers of the report may include the GM staff member and their managers. In all cases, GM staff 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, topic sentences describe 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 the condition and criteria.

Check the following 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 the identification of specific documents needed to resolve or support resolution?
- ❑ Does the corrective action address the cause of the condition?

Check the following for the overall report:

- ❑ Is the report organized, and does it contain the nine sections? 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 finding and area of concern clearly and concisely describe the condition?
- ❑ Will the reader understand what documents to collect and provide when submitting a written response to findings, questioned costs, and corrective actions?

Record Resolution Activities

Each finding identified in the monitoring report must have a corresponding corrective action or recommendation that outlines the steps and documents to be submitted as part of their response. If GM staff do not accept the documentation received, the response to the grant recipient should explain why the documentation was not accepted and what different or additional documentation is needed for resolution. Additional guidance on timelines may be found in the ETO 1-24 on Grant Management Responsibilities.

If the grant recipient provides a corrective action plan (CAP) as a response to findings, GM staff should review and approve or disapprove each CAP submission. Well-developed CAPs identify actions that address the root cause and provide a timeline for implementing the changes.

After the CAP is approved, the grant recipient should communicate, at regular intervals, its progress in implementing the changes. GM staff should document the progress in the Monitoring Module within GRMM and provide guidance and any technical assistance that is needed.

When resolving questioned costs, it is important to take prompt action. 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. 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 a regulatory requirement, then another non-Federal source of funding must be used, and

documentation demonstrating that an alternative source has been found to cover the costs in question must be verified by GM staff. If the resolution occurs during the period of performance, the funds become available for other allowable grant activities.

DOL's exceptions at 2 CFR Part 2900 allow costs to be questioned by an auditor, an FPO, a Grant Officer, or other authorized awarding agency representative (such as the Office of the Inspector General (OIG)) because of an audit or monitoring finding.

Enter Results in GRMM

GM staff should organize a monitoring file that may contain 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 hard copy documents and a digital copy may be entered into the Monitoring Module in GRMM as part of a monitoring event. The Monitoring Module in GRMM requires GM staff to create, update, and close a record of any monitoring event. GM staff must attach the monitoring report and any other applicable documents directly to the Monitoring Event Details. It is critical that any potential compliance issues during the monitoring event be supported with copies of documents that demonstrate and support the finding(s).

Issuing a monitoring report is the culmination of a monitoring event and is typically outlined in regional SOPs. The findings, areas of concerns, questioned costs and promising practices from the report should be entered into the Monitoring Module on GRMM. Additional guidance may be found in the ETO 1-24 on Grant Management Responsibilities.

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PART B – CORE ACTIVITIES

CORE ACTIVITY 1 SERVICE DESIGN & DELIVERY

Core activity 1 evaluates the grant recipient's strategy, design, and delivery services and deliverable to accomplish the goals of the program or grant

Core Activity 1 consists of the following five objectives. Tools and resources which help attest to compliance and effectiveness can be found within the "Instructions" section for each indicator.

Objective 1.a Planning and Program Design: The grant recipient has conducted all planning and coordination activities related to service design, delivery, and employer/business engagement to accomplish all grant activities and goals.

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

Objective 1.b Implementation: The grant recipient has effectively implemented its grant project's service delivery strategies and service design to achieve its intended programmatic outcomes and performance goals.

>   Indicator 1.b.1: Personnel, Staff, and Hiring
>   Indicator 1.b.2: Participant Recruitment Activities
>   Indicator 1.b.3: General Partnerships
>   Indicator 1.b.4: One-Stop
>   Indicator 1.b.5: Contracts and Subawards
>   Indicator 1.b.6: Capital Asset Purchases

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.

>   Indicator 1.c.1: Sustainability Plan
>   Indicator 1.c.2: Product Development
>   Indicator 1.c.3: Evaluations

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.

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

>   Indicator 1.e.1: Service Delivery
>   Indicator 1.e.2: Priority of Service
>   Indicator 1.e.3: Eligibility/Enrollment

OBJECTIVE 1.A: PLANNING AND PROGRAM DESIGN

The grant recipient has conducted all planning and coordination activities related to service design, delivery, and employer/business engagement 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:

If an indicator can be directly associated with a specific law, policy guidance, grant agreement, FOA, or program regulation, then it is a (C), but if the indicator cannot, then it is an (E).

Instructions:

- ☐ Review the following documents (as applicable):
  - ▸ Work Plan/SOW/State or Local Plan/PIP
  - ▸ Quarterly/Annual program and performance reports
  - ▸ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, etc.)
- ☐ Review the grant recipient organization's vision, mission, strategy, and action planning documents and compare these with the purpose described in the FOA or TEGL.
- ☐ Interview the leadership (executive director and/or board chair) responsible for its vision and strategic planning.
- ☐ Obtain current labor market information (LMI).

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 LMI was used?

2. Is the grant recipient's strategic approach aligned with the State Workforce Development Board (SWDB)/ Local Workforce Development Board (LWDB)'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?

Notes:

OBJECTIVE 1.A: PLANNING AND PROGRAM DESIGN

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

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

Citation:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

- ❑ Review the following documents (as applicable):
  - ▸ SOW/State or Local Plan/PIP
  - ▸ Quarterly/Annual Program Narratives and Performance Reports
  - ▸ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, 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.

Tips:

- ◆ A participant in a program or activity authorized under Title I of WIOA must not displace (including a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits) any currently employed employee (as of the date of the participation).

Questions for Review and Discussion:

1. What are the services available to customers, participants, and employers? How does the grant recipient assure customer access to the full range of services (e.g., policies regarding customer flow, coordination requirements, etc.)?

2. What, if any, challenges occurred and how did they impact the provision of services by the grant recipient to targeted populations? (Examples might include physical location, lack of fluency in the population's primary language, lack of assistive technology, etc.)

3. Does the service delivery system have a clear sequence or pathway that combines education, training, or other services to meet the participant's needs and align with employer demands?

4. Does the service delivery system provide multiple entry and exit points to enable participants to come and go at various levels of skill development or employment status?

5. What funding needs and sources has the grant recipient identified to cover program development, maintenance, and participant costs?

Notes:

OBJECTIVE 1.A: PLANNING AND PROGRAM DESIGN

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

Coordinating services and resources to provide comprehensive, high-quality, customer-centered services is done to increase the integration of services made available to all participants and employers. Services integration may occur across entities delivering specific services or programs, across time as customer needs change, or both. (Coordination and integration are intended to cover all partnerships and are not necessarily required to be one-stop partnerships in the public workforce system.)

Citation:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

❑ Review the following documents (as applicable):

- ▶ SOW/State or Local Plan/PIP
- ▶ Quarterly/Annual Program Narratives and Performance Reports
- ▶ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, etc.)
- ▶ Grant Recipient policies
- ▶ Memoranda of Understanding (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., AJCs)?

2. What policies, referral procedures, reverse referrals, screen sharing, data sharing, or MOUs has the grant recipient established to coordinate/integrate activities?

3. How do the grant recipient's policies, systems, and service design reduce duplication, maximize the reach of resources, ensure appropriate participant service across funding streams, and reduce administrative overhead?

4. How are staff cross-trained on the different programs and services available through other programs?

Notes:

OBJECTIVE 1.B: IMPLEMENTATION

The grant recipient has effectively implemented its grant project's service delivery strategies and service design to achieve its intended programmatic outcomes and performance goals.

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

The grant recipient has the necessary staff to successfully operate its program or project.

Citations:

2 CFR 200.463, 2 CFR 200.473, and TEGL 10-24

Instructions:

- ❑ Review the following documents (as applicable):
    - ▸ SOW/State or Local Plan and Timeline
    - ▸ Approved budget
    - ▸ Organizational Chart
    - ▸ Staffing Plan
- ❑ Use the SOW, approved budget, 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.
- ❑ Determine 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.
- ❑ Interview staff and leadership to understand how they hire and train staff on the requirements of the program or project.
- ❑ Ensure that staff who have been hired are ethical, qualified, and/or properly trained. Please see Indicator 3.a.5 Conflicts of Interest.

Tips:

- ◆ GM staff need to ensure the grant recipient follows its standard hiring practices to fill vacant positions. When staff allocate a percentage of their time to this grant, GM staff must confirm that proper time management methodology is in place to ensure accurate allocation to the grant, e.g., timesheets. A review of these and other personnel-related topics is located in Objective 2.h: Personnel.
- ◆ If the grant recipient has not hired or identified sufficient staff to support the grant and does not have a written action plan for rectifying this, GM staff should work with the grant recipient to create a timeline for hiring staff.
- ◆ Grant recipients and subrecipients shall not use funds to pay the salary and bonuses of an individual, either as direct costs or as indirect costs, at a rate in excess of Executive Level II. The Executive Level II salary may change yearly and is located on OPM Salaries & Wages.

Questions for Review and Discussion:

1. Is the grant recipient in compliance with the salary and bonus limitations for all staff charging partial or all their time to an ETA grant as a direct or indirect allocation of costs?

2. Has the grant recipient hired staff for this grant consistent with the SOW and budget?

3. If the grant recipient has not hired adequate staff, will existing staff assigned to this grant have sufficient time to work on this grant and perform their normal duties as well? Or what are the immediate plans to hire staff for unfilled vacancies?

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

5. If the grant recipient has not hired staff, has this led to known deficiencies in meeting program outcomes or performance goals?

6. Do hired staff have the training and skills to ensure the needs of individuals with disabilities are properly addressed?

Notes:

OBJECTIVE 1.B: IMPLEMENTATION

(C) Indicator 1.b.2: 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:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

- ❑ If the program does not enroll participants, do not complete this indicator.
- ❑ Review the following documents (as applicable):
  - ▶ SOW
  - ▶ Project Timeline
  - ▶ Outreach plan and materials
  - ▶ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, etc.)
- ❑ Review outreach materials and discuss methods of outreach and their success rates.
- ❑ Discuss current and/or future plans for recruiting participants and provide technical assistance if the grant recipient has had difficulty recruiting.

Tips:

- ◆ Refer to Indicator 2.e.2: Progress Monitoring for a review of program performance.
- ◆ TEGL 3-23 clarified the allowable uses of WIOA, its successors, and other competitive grant funds for outreach activities; and provided examples of how grant recipients can use grant funds to effectively conduct outreach to meet the needs of and better engage businesses and jobseekers. For example, outreach activities can include referral programs and business services.

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? If target populations are not being reached, how is the grant recipient addressing the issue?

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 enrollment? Are outreach efforts ongoing? 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:

(C) Indicator 1.b.3: General Partnerships

The grant recipient engages with local partners and the public workforce system to effectively reach participants and employers in active partnership.

Citation:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

❑ Review the following documents (as applicable):

- ▸ SOW/State or Local Plan
- ▸ Letters of commitment
- ▸ Referral or reverse referral agreements or procedures
- ▸ Data-sharing or screen-sharing agreements
- ▸ MOU(s) and IFA with required and additional partners
- ▸ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)

❑ Assess through interviews with the grant recipient and its partners whether the responsibilities outlined in the MOU are being accomplished.

Tips:

◆ GM staff may request partner meeting minutes, copies of MOUs, or partner agreements.

Questions for Review and Discussion:

1. How is each partner fulfilling the roles/activities outlined in the letters of commitment and/or SOW?

2. How are partners held accountable for their responsibilities and play an active role in program functions?

3. How is the grant recipient working with each partner to ensure all partnership commitments are fulfilled?

4. 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?

5. Do partners meet or communicate, with some frequency, to discuss program progress and address any issues that arise?

6. How does the grant recipient track/document activities with partners?

(C) Indicator 1.b.4: One-Stop Partnerships

If the grant recipient is a required partner or additional partner in the local One-Stop delivery system as prescribed in WIOA sec. 121(b)(1)(B), it will be responsible for certain functions and must be part of a MOU and IFA. The local one-stop delivery system must acknowledge the common identifier language, have procedures and criteria in place for the one-stop certification process, and ensure its mandatory funding agreement is in place to be a full participant of the AJC network.

Citations:

WIOA sec. 121(c), 20 CFR 678.305(b)-(d), 678.310, 678.405(b), 678.430, 678.435, 678.500, 678.505, 678.755, 678.760, 678.800(b), 678.900(a)(c)(d), TEGL 16-16 and Change 1, and TEGL 17-16

Instructions:

- ❑ Review the following documents (as applicable):
  - ▸ State/Local Plan
  - ▸ Service design and delivery policies and procedures
  - ▸ SOW, PIP, CAP
  - ▸ MOU(s) with required partners
  - ▸ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, 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 its responsibilities as a required partner through interviews with the grant recipient and a review of the MOU(s).
- ❑ Determine if the one-stop operating budget's mandatory funding agreement is being met.
- ❑ Determine if the AJC is using the common identifier on all products, programs, services, etc.
- ❑ Read through the procedures and criteria established by the SWDB for the LWDB's one-stop certification process that must be renewed every 3 years.
- ❑ Use Tool F: MOU & IFA Worksheet to assist in completing the indicator.

Tips:

- ◆ DOL's one-stop required partners are not the same as the WIOA Core Programs.
- ◆ The required DOL one-stop partner programs are listed below:
  - ▸ WIOA Title I Programs:
    - ▪ Adult, DW, Youth
    - ▪ INAP (Indian and Native American Programs)
    - ▪ NFJP (National Farmworker Jobs Program)/MSFW (Migrant and Seasonal Farmworker)
    - ▪ Job Corps

- YouthBuild
  - Unemployment Compensation
  - ES Wagner-Peyser
  - SCSEP (Senior Community Service Employment Program)
  - TAA Program (Trade Adjustment Assistance)
  - Jobs for Veterans State Grants

◆ SCSEP participants' community service hours may be considered a contribution toward additional costs, rather than infrastructure costs (see TEGL 16-16, Change 1). The TEGL addresses the circumstances where a SCSEP participant is a direct employee of the SCSEP partner program. However, if a SCSEP participant is not an employee of the SCSEP partner program but is instead employed by a third party that provides services to the American Job Center under a contract, the costs for that service may be charged to infrastructure costs similar to contracted security or janitorial services.

◆ The WIOA law and regulations at 20 CFR 678.415(d) state that, "Under WIOA Title I, the national programs, including Job Corps, the Native American program, YouthBuild, and Migrant and Seasonal Farmworker programs are required one-stop partners. The entity for the Native American program, YouthBuild, and Migrant and Seasonal Farmworker programs is the grantee of those respective programs. The entity for Job Corps is the Job Corps center Operator."

◆ The required Department of Education one-stop partner programs are listed below:
  - Adult Education and Family Literacy Act (AEFLA) program, WIOA title II
  - State Vocational Rehabilitation (VR) 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)

◆ Besides required partners, other organizations may participate in the coordination of service delivery as an additional partner or general partner with the grant recipient.

◆ GM staff may find it useful to include a partner meeting as part of their review. Having all the core partners together is a concise way to get firsthand information directly from partners and to facilitate conversation and further partnership.

◆ 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'.

Questions for Review and Discussion:

1. Who are all the required partner programs and are they represented in the local One-Stop delivery system, including affiliate AJCs?

2. 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?

3. Has the LWDB, with the agreement of the Chief Elected Official (CEO), developed and entered into a signed MOU with all of the required one-stop partners?

4. Do MOUs contain any additional costs agreed upon by the grant recipient, including:

   ▸ Applicable career services that must be included
   ▸ 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)?

6. As a required partner, is the "AJC" used as a general reference to the local one-stop center, or as the tagline "a proud partner of the AJC Network" on all products, signage, programs, activities, services, electronic resources, facilities, and related property and new materials used in the One-Stop delivery system?

7. 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?

Common Identifier and One-Stop Certification:

8. Does signage and outreach materials identify that the local one-stop delivery system must use either that common identifier as its name, or use the tag line phrase "a proud partner of the American Job Center network?

9. Does the established criteria evaluate the one-stop centers and one-stop delivery systems ability to:

   ▸ Integrate available services for participants across programs, leverage resources and service businesses
   ▸ Meet the workforce development and skill upgrading needs of participants and the staffing needs of local employers
   ▸ Operate in a cost-efficient manner
   ▸ Coordinate services among the one-stop partner programs
   ▸ Provide access to partner program services

Notes:

✓ OBJECTIVE 1.B: IMPLEMENTATION

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

The grant recipient has executed contracts and/or subawards with responsible entities to successfully operate the grant and achieve its performance goals and program outcomes.

Citation:

2 CFR 200.208, 2 CFR 200.318(h), 2 CFR 200.331, and 2 CFR 200.332(b)

Instructions:

- ❑ Review the following documents (as applicable):
    - ▶ SOW
    - ▶ Project Timeline
    - ▶ List of contracts and subawards
    - ▶ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, etc.)
- ❑ Refer to Objective 2.h: Personnel, Indicator 1.b.1: Personnel, Staff, and Hiring and 2.d.2: Competition when completing this indicator.
- ❑ Use Tool L: Agreement Element Checklist when completing this indicator.

Tips:

- ◆ Uniform Guidance requires that grant recipients work with responsible contractors (2 CFR 200.318(h)) and subrecipients (2 CFR 200.208, and 2 CFR 200.332(b)). When certain risks are noted, certain controls or mitigation measures must be in place to minimize the risk.

- ◆ 2 CFR 200.180 discusses OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement). Note that these guidelines apply to all Federal funds and therefore grant recipients may not contract or subaward with any entities that have been debarred or suspended from receiving Federal funds. In accordance with the Grant's terms and conditions, the grant recipient may not engage with any corporation that was convicted of a felony criminal violation under any Federal law within the preceding 24 months. In addition, the grant recipient may not engage with any corporation that has any unpaid Federal tax liability that has been assessed.

- ◆ Some entities may have both a subaward and a contract. When determining whether an agreement is a subaward or contract, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed in 2 CFR 200.331 may not be present in all cases, and the grant recipient must use judgment in classifying each agreement as a subaward or a procurement contract. Review Indicator 2.f.1: Subrecipient and Contractor Determination.

Questions for Review and Discussion:

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

2. What is the grant recipient's action plan to establish the necessary contracts and/or subawards to accomplish the goals of the grant?

3. What risk assessment/vetting policy is in place to ensure that contractors and subrecipients are responsible and can effectively manage their subaward or contract?

Notes:

✓ OBJECTIVE 1.B: IMPLEMENTATION

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

The grant recipient has requested approval to purchase equipment in a timely manner so that the asset may be fully utilized during the entirety of the grant's period of performance.

Citations:

2 CFR 200.439 and 2 CFR Part 2900

Instructions:

❑ Review the following documents (as applicable):

▸ SOW
▸ Equipment amendments and requests
▸ List of capital assets purchased

Tips:

◆ A capital asset is defined in the Uniform Guidance as: "Tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP." Capital assets include:

▸ Land, buildings (facilities), equipment, and intellectual property (including software), whether acquired by purchase, construction, manufacture, exchange, or through a lease accounted for as financed purchase under Government Accounting Standards Board (GASB) standards or a finance lease under Financial Accounting Standards Board (FASB) standards

▸ Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance)

◆ The Uniform Guidance at 2 CFR 200.439 requires that, "Capital expenditures for general purpose equipment, buildings, and land are allowable as direct costs, but only with the prior written approval of the Grant Officer."

◆ Federal funds must not be spent on construction, purchase of facilities or buildings, or other capital expenditures for improvements to land or buildings, except with the prior written approval of the Secretary (20 CFR 683.235). The purchasing of real property, construction, and other capital expenditures for improvements, prior approval is not delegated to the state or governor.

◆ To review compliance of prior approval of capital asset purchases, determine if delegation to the Governor occurred. For equipment purchase, many formula grants awarded to states include a delegation of prior written approval authority to the Governor. However, discretionary awards received by a state will require prior approval of equipment. With few exceptions, all grant recipients of discretionary awards require prior written approval from the Grant Officer. Note that the delegation of prior written approval authority for buildings/ facilities has not been delegated to the Governor.

◆ For competitive or discretionary awards, grant recipients must obtain written prior approval from the Grant Officer. In accordance with 2 CFR Part 2900, this request must be submitted not less than 30 days before the equipment is purchased.

Questions for Review and Discussion:

1. What capital assets or services, if any, did the grant recipient specify they would procure?

2. When must the capital assets or service be purchased and in place to fully support the work outlined in the FOA and SOW and is it necessary to accomplish the goals of the grant or project?

3. If the grant recipient is behind in the purchasing of capital assets 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 capital assets and services purchased are in place to support the successful execution of all grant activities?

5. Did the grant recipient spend only the amount allotted or budgeted in the SOW for capital asset purchases?

Notes:

OBJECTIVE 1.C: PRODUCTS AND DELIVERABLE

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 to explain how the project's specific outcomes will be sustained after the project ends. The sustainability plan has a clear vision, defines which principles/goals the grant recipient will sustain, outlines a strategy to build collaboration between partners, defines strategies and methods for sustainability, and provides action steps.

Citation:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement

Instructions:

- ❑ Review the following documents (as applicable):
  - ▶ FOA
  - ▶ Sustainability Plan
  - ▶ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
- ❑ Identify if the grant recipient needs technical assistance to successfully create a sustainability plan.

Tips:

- ◆ For competitively awarded grants, two useful guides on sustainability may be found here: Youth Apprenticeship Readiness Grants Sustainability Toolkit page and ILAB's Sustainability Guide: A Practical Tool for Sustaining Development Gains.

Questions for Review and Discussion:

1. If the FOA has a sustainability component, what is the technical capacity of the staff to implement their plan?

2. How is the grant recipient training its personnel during the grant life to institutionalize the knowledge needed to continue the project after the grant ends?

3. Are the program goals and/or performance outcomes integrated into existing systems, structures, policies, or laws? Are these results tangible?

4. What program outcomes or performance goals of the grant will continue after expiration ends?

5. Are there plans to ensure cash or in-kind resources to replace Federal resources provided by the project?

6. Is there a plan to establish critical linkages between partners and private or public institutions that can provide necessary support?

7. Is there a strategy to create ownership on the part of the grant recipient and its partners?

8. How will products developed during the grant, such as new curriculum, new website, and expanded marketing campaign, continue to support operations afterward?

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

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

Citation:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

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 produced using grant funds such as curriculum, databases, training plans, and Individual Development Plans (IDPs).

Tips:

- ◆ SWAs have considerable flexibility to meet customer needs but must consult with their customers and prepare several types of products.

Questions for Review and Discussion:

1. What is the grant recipient's plan and timeline for developing the product or deliverable?

2. Are the products created using grant funds consistent with the grant SOW?

3. 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?

4. 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?

5. What is the grant recipient's plan for distributing or posting grant products (if required)?

Notes:

OBJECTIVE 1.C: PRODUCTS AND DELIVERABLES

(C) Indicator 1.c.3: Evaluations

Effective building and use of evidence and evaluation for program design, administration, or improvement is performed by the grant recipient.

Citations:

2 CFR 200.202, 2 CFR 200.301(c), and 2 CFR 200.455(c)

Instructions:

- ❑ Obtain copies of the most recent evaluation reports or their current proposal or plan for conducting future evaluations.
- ❑ Interview staff to determine how they are using past evaluation results to improve program design.
- ❑ Identify how the grant recipient has made the evaluation results public.

Tips:

- ◆ Evaluations can involve multiple phases, components, and activities which can include, but are not limited to: A literature or evidence review, feasibility study, planning, research, coordination and design, data collection and data analysis, report preparation, clearance, and dissemination.

- ◆ When performing an evaluation, grant recipients can focus on but are not limited to the following:
  - ▶ Participants and participant groups, and their characteristics, needs, and views
  - ▶ Service receipt, and outcomes, as well as key features of services, individually or collectively, regarding all types of interventions (such as career guidance, training, supportive services, or employer engagement)
  - ▶ Business services and employer perspectives
  - ▶ Existing services, and new or innovative services or relevant program features
  - ▶ Administrative or management functions
  - ▶ Staffing features, practices, and/or professional development
  - ▶ Costs and cost efficiency
  - ▶ Past programs or services

- ◆ Award recipients may be required to participate in federally funded evaluations, please review the grant agreement or the Uniform Guidance at 2 CFR 200.301.

- ◆ Allowable evaluation costs include, but are not limited to: Evidence reviews, evaluation planning and feasibility assessment, personnel and/or materials related to the effective gathering of evidence, conducting evaluations, and sharing evaluation results.

- ◆ A valuable resource for evaluation data is the DOL's Clearinghouse for Labor Evaluation and Research (CLEAR) found at clear.dol.gov. States may use CLEAR to see past evaluations and use them as a starting point for their own evaluations.

Questions for Review and Discussion:

1. If required in the FOA or grant agreement, is the grant recipient participating in a Federally funded evaluation?

2. Is the recipient currently conducting an evaluation? If so, in what phase is the evaluation? What are the milestones or timelines for completing the evaluation?

3. What is the recipient's method for conducting an evaluation? What aspects of activities are the focus of the evaluations and what types of data, and analytical or statistical methods are being or will be used?

4. How does the grant recipient plan to make the results of the evaluations conducted available to the public (including by electronic means) when the final report is completed?

Notes:

OBJECTIVE 1.D: BUSINESS SERVICES AND EMPLOYER ENGAGEMENT

The grant recipient has documented and performed all service delivery activities a=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) Indicator 1.d.1: Sector Strategies

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

Citation:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

- ❑ Review the following documents (as applicable):
  - ▸ SOW/State or Local Plan/PIP
  - ▸ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, etc.)
  - ▸ Meeting minutes from sector strategy, industry focus group, and sector partnership meetings
  - ▸ Relevant 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. How have they 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., LMI, 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.
- ◆ Prior to the review, distribute the Sector Strategies Self-Assessment documents found on the Business Engagement Collaborative page on WFGPS.
  - ▸ Local/Regional Self-Assessment Tool
  - ▸ State Self-Assessment Tool
- ◆ See the Business Engagement Community page on WorkforceGPS to review the Sector strategy resources and effective ways to align public resources that address the talent needs of employers.

Questions for Review and Discussion:

1. What data and/or criteria 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 overtime?

6. What personnel, policies, vision, and resources does the grant recipient have in place to continually support sector strategy outcomes?

Notes:

OBJECTIVE 1.D: BUSINESS SERVICES AND EMPLOYER ENGAGEMENT

(C) 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:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

- ❑ Review the following documents (as applicable):
  - ▶ SOW/State or Local Plan/PIP
  - ▶ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, 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:

- ◆ Sector strategies and career pathways are different processes, but each lend themselves to each other.
  - ▶ A sector strategy is a partnership of multiple employers within an industry that brings together organizations such as educational institutions, including K-12 schools, economic development agencies, workforce development systems, labor unions, labor management partnerships, and community organizations to identify and collaboratively meet the workforce needs of that industry within a given labor market. Sector strategies are a key element of a career pathways system, which develops education and training in collaboration with employers to ensure that the end product supports the skills and competencies needed by industry.
- ◆ Career Pathway System vs. Career Pathway Program:
  - ▶ A career pathway system is made up of multiple career pathway programs that span educational institutions, the workforce, and support service partners. These programs are all oriented around a shared understanding of the needs of the given 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 is funded through WIOA sec. 101(d) and 107(d)(5).
- ◆ See Career Pathways Toolkit: An Enhanced Guide and Workbook for System Development for more information.

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Questions for Review and Discussion:

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. How were the sectors chosen for which the career pathway system/and or program is being developed?

4. What LMI was analyzed and what occupational data was reviewed?

5. How are employers and/or industry leaders engaged in the development of the career pathway system? What are their specific roles?

6. Determine whether 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.

7. What funding needs and sources did the grant recipient identify to cover program development, maintenance, and participant costs?

8. Is the grant recipient reforming state/local policy to align with the vision and implementation of a coordinated workforce and education system? If so, what are the changes and how has it supported the implementation of a coordinated workforce and education system?

9. 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?

10. Determine how the career pathway program offers a clear sequence or pathway that combines education coursework and/or training that leads to stackable credentials.

11. How is the grant recipient measuring skill attainment along a career pathway? What data is used for this analysis?

Notes:

OBJECTIVE 1.D: BUSINESS SERVICES AND EMPLOYER ENGAGEMENT

(C) 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 uses 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:

If an indicator can be directly associated with a specific law, policy guidance, grant agreement, FOA, or program regulation, then it is a (C), but if the indicator cannot, then it is an (E).

Instructions:

❑ Review the following documents (as applicable):

▶ SOW/State or Local Plan/PIP
▶ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, etc.)
▶ Documentation that pertains to the grant recipient's business services provision (e.g., brochures, calendars of events, business services handbooks or policies and procedures, outreach materials, assessment tools, etc.).

❑ Determine through interviews:

▶ How business services are conducted.
▶ How determinations on business customer needs are made.
▶ How the recipient evaluates effective service to the business customer.

Tips:

◆ GM staff 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 businesses' needs as this may go beyond a presentation of programs and services.

◆ An OJT Toolkit that includes a template, manual, and training plan may be found here: OJT Toolkit.

◆ Review the FOA to determine if a relationship with the business community is required or encouraged.

Questions for Review and Discussion:

1. What is the grant recipient's strategy for serving businesses and employers?

2. How are business services and strategies reflected in the SOW/State Plan/Local Plan?

3. How does the grant recipient identify which businesses or key industries to target and approach? What data (LMI, Economic, Census, Commerce, etc.) is used?

4. How are labor exchange activities and labor market information made available to employers?

5. How does the grant recipient partner with other agencies, programs, or organizations to coordinate outreach to businesses?

6. How does the grant recipient inform themselves of the needs of the business customer prior to approaching the business, and tailor services or solutions to their needs?

7. How are staff members trained to serve businesses and what resources are used to provide services?

8. How does the grant recipient track their engagement with business customers (e.g., spreadsheet, other MIS tools, etc.)?

Notes:

OBJECTIVE 1.E: PARTICIPANT SERVIES

The grant recipient is implementing the required services delivery strategy outlined in their 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:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

- ❑ Review the following documents (as applicable) fro the service delivery, participant services and referral system:
  - ▶ SOW/State or Local Plan/PIP
  - ▶ Applicable Federal guidance (Law, WIOA, UG, FOA, Regulations, TEGLs, etc.)
  - ▶ Subawards/Contracts
  - ▶ All applicable policies and procedures
  - ▶ MOUs
  - ▶ Program reports
- ❑ Ensure the grant recipient makes all services available in accordance with standards outlined 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. What is the full menu of services that a participant would have access to under this program? Which are mandatory and which are optional?

2. How does the grant recipient assure customer access to the full range of services (e.g., policies regarding customer flow, coordination requirements, etc.)? Do the full range of services include programmatic and physical accessibility for all qualified individuals with disabilities?

3. 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?

4. 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?

5. If applicable, how does the grant recipient engage in joint case management with partners that ensure coordination of services and track 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 for covered persons.

Citations:

38 USC 4215, 20 CFR 1010, 20 CFR 652.100, TEGL 07-20, TEGL 10-09, TEGL 19-13, Change 1 and Change 2, TEGL 19-16, and TEGL 3-24

Instructions:

- ❑ Review the following documents (as applicable):
  - ▸ SOW/State or Local Plan/PIP
  - ▸ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENS, etc.)
  - ▸ Subawards/Contracts – Provision on priority of service
  - ▸ All applicable policies and procedures

- ❑ Review information from the grant recipient regarding service priorities, including any additional populations established as service priorities.

- ❑ Priority populations and requirements for the WIOA Adult Program are as follows: Covered persons (veterans and eligible spouses) who are low-income, recipients of public assistance, or basic skills deficient; Individuals (non-covered persons) who are low-income, recipients of public assistance, or basic skills deficient; Covered persons (veterans and eligible spouses) who are not low income and not basic skills deficient; and (optional) LWDBs may establish additional priority groups for priority of services beyond minimum adult eligibility.

- ❑ Review staff's training on priority of service. When reviewing participant files, review documentation collected to verify the covered person status.

Tips:

- ◆ Priority of service does not change a program's intended functions. Priority of service means that veterans and eligible spouses are given priority over non-covered persons for the receipt of employment, training, and placement services provided under a qualified job training program. This means that a veteran or an eligible spouse either receives access to a service earlier in time than a non-covered person or, if the resource is limited, the veteran or eligible spouse receives access to the service instead of or before the non-covered person.

- ◆ Covered persons still need to meet all statutory eligibility and program requirements for participation.

- ◆ All ETA programs including but not limited to Wagner-Peyser, WIOA, SCSEP, INAP, NFJP, and TAA, require grant recipients to consider priority of service. Priority of service must be implemented regardless of the amount of funds available to provide services in the local area. In addition, veterans receive priority of service in all DOL-funded employment programs.

- ◆ The immediate referral of a veteran to "veteran staff," such as a Disabled Veteran Outreach Program (DVOP) Specialist, is not providing priority of service, in part, because veterans should be made aware of the full array of employment, training, and placement services available.

◆ Staff funded through the Jobs for Veterans State Grant (JVSG) program are prohibited from conducting initial intake and assessment of participants.

◆ If applicable, GM staff 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. What are the grant recipient's written policies and procedures implementing priority of service and how does it 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. What training or guidance has been provided by the grant recipient to its service providers and subrecipients on these requirements?

4. How does the grant recipient conduct outreach to priority populations?

5. How does the service delivery design reflect the priority of services to veterans and eligible spouses? How are veterans and eligible spouses notified of their entitlement to priority of service at the point of entry (even if the point of entry is online or virtual)?

6. How is priority of service for covered persons distinguished from priority when training funds are limited? Is there signage in the offices and information on their website?

7. Do local service statistics or LMI indicate that the populations identified by the grant recipient as priorities for service are being served on a priority basis?

8. What staff training or guidance is provided to AJC staff to clarify the differences between priority of service and referral to a DVOP Specialist?

Notes:

✓ OBJECTIVE 1.E: PARTICIPANT SERVICES

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

The grant recipient adheres to eligibility requirements when enrolling participants.

Citation:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

- ❑ Review the following documents (as applicable):
  - ▶ SOW/State or Local Plan/PIP
  - ▶ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, 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 the 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 then 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. GM staff may also want to include this as a required action in the monitoring report.
  - ▶ In cases of self-attestation and self-service only, it is important to review their eligibility and determine if enough actions were taken to be considered a participant.
- ◆ Please see TEGL 19-16 Attachment III for citations and definitions of a Reportable Individual and a Participant. It is important to distinguish between the two.
- ◆ Co-enrollment is when a participant is enrolled in more than one grant program or cooperative agreement. Enrolling in multiple programs allows for the timely provision of individualized career services and improves the overall effectiveness of the programs involved.
- ◆ Co-enrollment services can include training costs, supportive services, and other activities supported by ETA funds. Co-enrollment is intended to maximize the number of resources available to participants while minimizing duplication of services.

Questions for Review and Discussion:

1. Do AJC staff correctly determine that all participants are eligible for services? If not, why?

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

3. Is there training provided on eligibility documentation and determination?

4. 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.

5. Are there any participants who are ineligible and were there any improper denial of service for eligible individuals, or individuals enrolled who were not eligible?

Notes:

✓ OBJECTIVE 1.E: PARTICIPANT SERVICES

(C) 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 the assessments are used to customize participant service strategy and to ensure positive outcomes for each participant. The grant recipient uses assessments as one of many tools to provide quality services to its participants.

Citation:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

- ❑ Review the following documents (as applicable):
  - ▶ SOW/State or Local Plan/PIP
  - ▶ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, etc.)
  - ▶ All applicable policies and procedures
- ❑ 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.
- ❑ Analyze participant files to ensure that assessments are consistently completed, customized, and used in the development of the Individual Employment Plan (IEP) or Individual Service Strategy (ISS). Use Tool G: WIOA Adult and DW Participant File Review or Tool H: WIOA Youth Participant File Review for the WIOA participant file reviews.
- ❑ Reference Indicator 1.e.5: Participant Service Plan to help complete this indicator.

Tip:

- ◆ GM staff 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 coursework, and/or employment?
5. Which, if any, assessments are used periodically throughout the period of performance to gauge participant progress?
6. Are assessments included in the participant file? Do they align with case notes and participant service strategy?

✓ OBJECTIVE 1.E: PARTICIPANT SERVICES

(C) 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:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions

- ❑ Review the following documents (as applicable):
  - ▶ SOW/State or Local Plan/PIP
  - ▶ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, 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.

Questions for Review and Discussion:

1. How does the grant recipient ensure that the participant service plan identifies and meets the 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?

4. How 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. Are signed and dated participant service plans included in the participant file?

7. How does the participant service plan reflect the needs and barriers identified through the assessment process?

8. 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?

9. Where in the case notes does it 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?

10. Are there any extended lapses in service? If yes, why?

11. Was LMI considered to determine in-demand jobs for the participant's training plan?

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:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

❑ Review the following documents (as applicable):

▶ SOW/State or Local Plan/PIP
▶ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, 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, (Tool G - WIOA Adult and DW Participant File Review and Tool H - WIOA Youth Participant 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.

▶ If a person has exited from a program but still is participating in a work experience, supportive services can be provided during that time.

Questions for Review and Discussion:

1. Are there written policies and procedures for the provision of supportive services? If yes, how are AJC 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.)? How are these being provided?

5. Does the grant recipient provide needs-related payments as part of their supportive services? If so, is there an approved written policy and/or procedure for the provision of needs-related payments? How does the policy or procedure ensure that needs-related payments are going to qualified individuals and are essential to participant engagement in the program activities? What documentation is required for needs-related payments?

6. Is there evidence that supportive services have been provided in accordance with both the participant service plan and the grant recipient's policies and procedures?

7. 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?

Notes:

✓ OBJECTIVE 1.E: PARTICIPANT SERVICES

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

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

Citation:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

- ❑ Review the following documents (as applicable):
  - ▸ SOW/State or Local Plan/PIP
  - ▸ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, etc.)
  - ▸ All applicable policies and procedures
  - ▸ Sample MOUs, work-based training, OJT agreements/contracts, and registered apprenticeships

- ❑ Assess, through case manager interviews, what the training requirements/determinations are for the grant. Review policies and procedures governing training services.

- ❑ Ensure, through the participant interview(s) and case file reviews, participants are involved in training program selection and that the training is appropriate for the participant within the current labor market.

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

Tips:

- ◆ Using current LMI can help identify high-demand occupations, effective sector strategies, further define career pathway programs, and connect with apprenticeship programs by using qualitative data and employment outlook.

- ◆ The O*NET system can provide information that can assist in customizing relevant training to update curriculum and work-based training to meet the specific needs of local employers.

- ◆ The interactive Registered Apprenticeship Academy and Apprenticeship.gov both provide helpful information for stakeholders.

Questions for Review and Discussion:

1. How is the grant recipient providing the full range of training services stipulated in the grant agreement? If they are not providing, why? Does this require a SOW change?

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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, and/or 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?

    ▶ How does the grant recipient ensure the participant can continue their career pathway without continued funding?

4. 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?

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

    ▶ If the participant is not on track to complete the training, what has the case manager done to address the problem?

6. How has the grant recipient engaged employers and educators in designing the work-based training component of their project to ensure meaningful skill development?

7. How do sector strategies play a role in the development of work-based training programs?

8. Has the grant recipient developed plans with employers to support entry and advancement into a career track with the business or industry?

Notes:

(C) Indicator 1.e.8: Placement

The grant recipient provides job searches, referrals, and other services that help participants obtain employment.

Citation:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

❑ Review the following documents (as applicable):

▸ SOW/State or Local Plan/PIP
▸ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, etc.)
▸ All applicable policies and procedures

❑ Determine employment placement requirements and goals as prescribed by the 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 SERVICE

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

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

Citation:

Review grant agreement, FOA, and regulations to identify the citation attached to the requirement.

Instructions:

❑ Review the following documents (as applicable):

 ▶ SOW/State/Local Plan/PIP
 ▶ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, etc.)
 ▶ All applicable policies and procedures

❑ Determine through interviews and case file reviews (Tool G - WIOA Adult and DW Participant File Review and Tool H - WIOA Youth Participant File Review) 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.

Tips:

◆ Follow-up services are critical services provided following a participant's exit from a program to help ensure the participant is successful in employment and/or postsecondary education and training.

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. 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.)?

4. Where follow-up is not a requirement, how does the grant recipient determine whether follow-up is necessary?

CORE ACTIVITY 2 – GRANT OPERATION

Core activity 2 evaluates the operations, systems, and process utilized by the award recipient to effectivity administer the program or grant.

Core Activity 2 consists of nine objectives. Tools and resources which help attest to compliance and effectiveness can be found within the "Instructions" section for each indicator.

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 amendments, and closeout requirements.

> Indicator 2.a.1: Specific Award Conditions
> Indicator 2.a.2: Grant Amendments
> Indicator 2.a.3: Closeout Requirements

Objective 2.B Budget Management: The grant recipient's financial management system has a budget control mechanism in place to monitor spending, determine the allowability of costs, and compare and reconcile the budget to actual expenditures. The system also has triggers for budget amendments when deemed necessary.

> Indicator 2.b.1: Budget Controls
> Indicator 2.b.2: Budget Amendments

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.

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

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.

> 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: 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.

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

Objective 2.F Subrecipient Management & Oversight: If applicable and as a PTE, the grant recipient manages all their subrecipients and tracks their performance and compliance in meeting the terms and conditions of the subaward.

Objective 2.G Record 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 policies are aligned with the SOW, State Plan, or PIP and are designed to ensure responsible and ethical management of the grant/project.

Objective 2.j: 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.

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 amendments, and closeout requirements.

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

If specific conditions of award and/or conditions of awards are attached to the grant agreement, the grant recipient is adhering to these additional requirements.

Citation:

2 CFR 200.208

Instructions:

- ❑ Review the grant agreement for any specific award conditions and/or conditions of award that were imposed by ETA.
- ❑ If there are conditions of award identified, ensure they were resolved in the grant file through an amendment.

Tips:

- ◆ The results of the Grant Officer's pre-award risk review or other mitigating issues may conclude with a determination that a grant recipient is deemed at-risk or high risk. In certain instances, formula recipients may also be deemed at-risk or high risk, which would result in special conditions or COAs being attached to its award package.
- ◆ The Uniform Guidance at 2 CFR 200.339 authorizes ETA to impose additional conditions on an award or subaward if the recipient fails to comply with the Federal statues, regulations, or terms and conditions of a Federal award agreement.
- ◆ Conditions of awards are issues or concerns, specific to each grant file, that need to be corrected or clarified early in the post-award phase of the grant.

Questions for Review and Discussion:

1. Are there any specific conditions and/or conditions of award placed on the grant recipient by ETA? If so, how is the grant recipient adhering to and satisfying these requirements as well?
2. If the grant recipient is not meeting one or more specific conditions and/or conditions of award, 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: Grant Amendments

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

Citations:

2 CFR 200.308, 2 CFR 200.407, 2 CFR Part 2900, 20 CFR 683.235, and Grant Terms and Conditions

Instructions:

❑ Review the grant recipient's procedures for managing Federal awards including the policy of preparing and submitting changes through a grant amendment.

❑ Interview key personnel to understand the grant recipient's amendment process.

❑ During the sample testing of transactions at Objective 3.f: Allowable Costs and Cost Classification, ensure that proper prior approval was given to the action.

❑ Use Resource D: Items Requiring Prior Approval to assist in completing the indicator.

Tips:

◆ The Uniform Guidance contains the events and items of costs requiring prior approval. Please refer to Resource D: Items Requiring Prior Approval. 2 CFR Part 2900 further delineates requirements for DOL grant recipients and specifies the actions, timeframe, and authority in which requests must be submitted to the DOL grant officer. 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, then the prior approval criteria in the Uniform Guidance apply.

  ▶ **Competitive/Discretionary Grant Recipients**: As directed in 2 CFR 200.308(i), for programs where the Federal share is over the Simplified Acquisition Threshold (SAT) (currently $250,000), the transfer of funds among direct cost categories (for example, personnel, travel, and supplies) or programs, functions, and activities is restricted such that if the cumulative amount of a transfer exceeds or is expected to exceed 10% of the total budget, including cost-share (match), as last approved by the Federal agency, the award recipient must receive prior approval from the Grant Officer.

Questions for Review and Discussion:

1. What are the grant recipient's policies and procedures when grant amendments need to be made? Does the policy address what grant actions may require prior written approval and timeliness of requests? Do procedures outline an effective process?

2. How does the grant recipient ensure that there are no changes in the scope or the objective of the project or program without Grant Officer prior written approval?

3. Are grant staff aware that prior approval must be requested at least 30 days prior to the effective date of the requested action, per 2 CFR part 2900?

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).

Citations:

2 CFR 200.1, 2 CFR 200.341, 2 CFR 200.344, 2 CFR 200.472(b), 2 CFR Part 2900, and TEGL 12-22

Instructions:

☐ Review the grant recipient's closeout policy and procedure and, if applicable, the closeout process it has for subrecipients.

☐ 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 200.344(a)-(g)):

▶ Submit, not later than 120 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.

▪ A subrecipient must submit all reports to the PTE no later than 90 calendar days after the end date of the POP for the subaward.

▶ Liquidate all accruals incurred under the Federal award not later than 120 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award (2 CFR Part 2900).

▪ A subrecipient must liquidate all financial obligations incurred under a subaward no later than 90 calendar days after the conclusion of the POP of the subaward.

▶ 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.

▶ Account for any real or personal property acquired with Federal funds or received from ETA. See Objective 2.c: Property Management regarding the disposition of Federally-funded real and personal property.

☐ Verify that closeouts with subrecipients are completed on a timely basis.

☐ Review any subaward closeout and ensure the grant recipient addresses how their subrecipient's records are retained. If a subrecipient cannot meet the requirements at 2 CFR 200.334, review PTE's policy on transferring subrecipients' records.

☐ If a subaward is terminated early, due to the subrecipient's material failure to comply with the U.S. Constitution, Federal statutes, regulations, or terms and conditions of the Federal award, review PTE's procedures on notification of termination, transfer, and custody of records and equipment.

Tips:

◆ Closeout does not affect other subsequent actions that DOL may take on regarding a grant award; or that a PTE 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.

◆ During review of the subaward closeout, ensure that all records related to the Federal award are retained in accordance with record retention requirements. Also, if a subrecipient cannot meet these requirements, the grant recipient should include a request and transfer of the subrecipient's records if applicable.

◆ Per 2 CFR 200.472, termination costs include closeout costs. Grant recipients can charge administrative costs specifically associated with the closeout of a Federal award.

Questions for Review and Discussion:

1. What are the grant recipient's closeout policy and procedures? Does it contain all the actions, outlined in 2 CFR 200.344(a-g), that the award recipient and PTE must take to complete this process at the end date of the period of performance?

2. What are PTE's closeout procedures for subawards? Does the PTE's closeout policy address the following:
   ▸ Property and supply disposition?
   ▸ Final payment?
   ▸ Final deliverable of performance outcomes?
   ▸ Post-closeout adjustments?
   ▸ Record retention and, if applicable, transfer of grant records to the PTE?

3. If a subaward was terminated due to the grant recipient's material failure to comply with the laws, policies, and terms and conditions of the award, does the termination notification detail the requirements listed at 2 CFR 200.341(b)?

Notes:

OBJECTIVE 2.B: BUDGET MANAGEMENT

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

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

The grant recipient has an approved budget and controls in place to compare actual expenditures and ensures that funds are obligated and spent within the authorized period of performance.

Citations:

2 CFR 200.302(b)(5) and 2 CFR 200.308

Instructions:

- ❑ Review the grant recipient's budget policy and procedures.
- ❑ Interview the staff primarily responsible for the budget.
- ❑ Review the grant recipient's most current approved budget and budget narrative.

Tips:

- ◆ The Uniform Guidance at 2 CFR 200.302(b)(5) requires that the financial management systems of each recipient/subrecipient must provide for a "comparison of expenditure with budget amounts for each Federal award".

Questions for Review and Discussion:

1. What is the grant recipient's process to review the budget versus actual expenditures?
2. How are managers and program staff regularly informed of changes in the budget or given routine updates comparing budgeted items to actual costs? Do programmatic staff provide routine input on the award's budget and expenditures?

Notes:

OBJECTIVE 2.B: BUDGET MANAGEMENT

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

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

Citations:

2 CFR 200.308, 2 CFR 200.407, 2 CFR Part 2900, 20 CFR 683.235, and Grant Terms and Conditions

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Instructions:

- ☐ Review the grant recipient's grant management policy including the budget amendment process.

- ☐ Interview the staff primarily responsible for amending the budget.

- ☐ Review the grant recipient's last approved budget and the grant's most current budget. Identify any line item changes to the grant's budget to ensure that they don't require an amendment.

Tips:

- ◆ Certain changes to the budget that impact the SOW and agreed-upon outcomes or deliverables will require a request for amendment and prior approval from the Grant Officer.

- ◆ **Formula grant recipients**: Formula grant recipients 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 grant agreement for further information.

- ◆ **Competitive/Discretionary grant recipients**: As directed in 2 CFR 200.308(i), for programs where the Federal share is over the Simplified Acquisition Threshold (SAT) (currently $250,000), the transfer of funds among direct cost categories (for example, personnel, travel, and supplies) or programs, functions, and activities is restricted such that if the cumulative amount of a transfer exceeds or is expected to exceed 10% of the total budget, including cost-share (match), as last approved by the Federal agency, the award recipient must receive prior approval from the Grant Officer. Any changes within a specific cost category on the SF-424A do not require a grant modification unless the change results in a cumulative transfer among direct cost categories exceeding 10% of total budget. It is recommended that the assigned Federal Project Officer or point of contact review any within-line changes to the award recipient's budget prior to implementation to ensure they do not require a modification.

- ◆ In accordance with 2 CFR Part 2900, approval of the budget (as awarded) **does not constitute prior approval**, including those items the Federal awarding agency specifies as requiring prior approval.

Questions for Review and Discussion:

1. What is the grant recipient's process when budget amendments need to be made? Does the mechanism allow for a 30-day notice?

2. If the grant award exceeds the SAT, 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? Did they receive prior written approval from the Grant Officer prior to transferring funds from one line item to another?

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:

◆ Per 2 CFR 200.310, insurance is not required for Federally-owned property unless required by the terms and conditions of the Federal award.

Questions for Review and Discussion:

1. Examine the insurance policy. Is it active for the period of performance of the grant?

2. 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

Where applicable, the grant recipient has policies and procedures in place for the acquisition, management, and disposition of real property purchased with grant funds. Such purchases always require prior approval from the Grant Officer.

Citations:

2 CFR 200.311, 20 CFR 683.240, and TEGL 3-19

Instructions:

☐ Verify that the program authorizes the purchase of real property by examining the FOA and/or program statutes/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.

☐ For the leasing of real property, use Indicator 2.c.4: Rental or Leasing Costs.

Tips:

◆ Real property is defined as land, including land improvements, structures, and appurtenances thereto, but excludes moveable machinery and equipment.

◆ Grant recipients cannot spend grant funds on construction, purchase of facilities or buildings, or other capital expenditures for improvements to land or buildings, except with the prior written approval of the Secretary. Review program regulations for costs associated with real property.

◆ If the grant recipient purchased a building with grant funds, depreciation expenses cannot be charged to the grant for the same building. Additionally, Reed Act or State Employment Security Agency (SESA) buildings can no longer charge or amortize their Federally funded properties.

Questions for Review and Discussion:

1. What policies and procedures does the grant recipient have in place when acquiring, managing, and disposing of real property purchased with grant 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. For WIOA Youth, Adult, DW, and WP-ES Act funds grants only, and 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, 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 policies and procedures in place for the acquisition, management, and disposition of equipment purchased with grant funds.

Citation:

2 CFR 200.1, 2 CFR 200.313, and 2 CFR 200.439

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.
- ❑ For the leasing personal property, such as equipment, use Indicator 2.c.4: Rental or Leasing Costs.

Tips:

- ◆ A capital asset is defined in the Uniform Guidance as: "Tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP." Capital assets include:
  - ▶ Land, buildings (facilities), equipment, and intellectual property (including software), whether acquired by purchase, construction, manufacture, exchange, or through a lease accounted for as financed purchase under Government Accounting Standards Board (GASB) standards or a finance lease under Financial Accounting Standards Board (FASB) standards
  - ▶ Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance)
- ◆ The Uniform Guidance at 2 CFR 200.439 requires that, "Capital expenditures for general purpose equipment, buildings, and land are allowable as direct costs, but only with the prior written approval of the Grant Officer."
- ◆ Federal funds must not be spent on construction, purchase of facilities or buildings, or other capital expenditures for improvements to land or buildings, except with the prior written approval of the Secretary (20 CFR 683.235). The purchasing of real property, construction, and other capital expenditures for improvements, prior approval is not delegated to the state or governor.
- ◆ **State or Formula Grant Recipients:** A state must use, manage, and dispose of equipment in accordance with state laws and procedures.
- ◆ **Indian Tribe Grant Recipients:** Indian Tribes must use, manage, and dispose of equipment in accordance with tribal laws and procedures. If such laws and procedures do not exist, Indian Tribes must follow the guidance in 2 CFR 200.313(c-e).

- ◆ **Competitive/Discretionary Grant Recipients:** Grant recipient organizations that are not a state agency must receive prior approval from the Grant Officer for the purchase of any capital assets (including equipment) with a per-unit acquisition cost of $10,000 or more, and a useful life of more than one year. The equipment must be used for the originally authorized purpose until funding ceases, or the equipment is no longer needed for the grant project. ETA typically will not give prior approval for capital asset requests in the last funded year of performance, which is defined as full program service delivery (not follow-up activities), which may not be the same as the last twelve months of the period of performance. Grant recipients rarely are able to demonstrate how the purchase of capital assets with grant funds would benefit the grant in the last funded year of the grant.

- ◆ 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. DOL may permit the recipient to retain equipment with no further obligation to DOL-ETA, unless prohibited by Federal statute or regulation.

- ◆ 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). 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.

- ◆ In accordance with Executive order 14005, Ensuring the Future is Made in All of America by All of America's Workers, the grant recipient agrees to comply with all applicable Made in America Laws. Award recipients are required to maximize the use of goods, products, and materials produced in, and services offered in, the United States, in accordance with the Made in America Laws. No funds may be made available to any person or entity (including as a contractor or subrecipient of the award recipient) that has been found to be in violation of any Made in America Laws. "Made in America Laws" means all statutes, regulations, rules, and Executive Orders relating to Federal financial assistance awards, including those that refer to "Buy America" or "Buy American," that require, or provide a preference for, the purchase or acquisition of goods, products, or materials produced in the United States, including iron, steel, and manufactured goods offered in the United States.

Questions for Review and Discussion:

1. What are the grant recipient's policies and procedures governing the acquisition, management, and disposition of equipment? Is there an adequate control system in place to prevent loss, damage, or theft of any equipment?

2. How does the grant recipient take affirmative steps to comply with all applicable "Made in America" laws including making efforts to use goods, products, and materials produced in, and services offered in, the United States?

3. For equipment that was purchased with grant funds, was prior approval received prior to the acquisition or disposition of that equipment?

4. Is the grant-funded equipment currently in use for the authorized purposes of the grant project that it was acquired for?

5. Are equipment records maintained with the required data elements?
    - ▸ Description
    - ▸ Serial number
    - ▸ Acquisition cost and date
    - ▸ Percentage of Federal participation in the purchase

- ▶ Titleholder
- ▶ Current use, condition, and location
- ▶ Federal Award Identification Number (FAIN)
- ▶ Sales price and date of disposition

6. How often are adequate maintenance procedures being conducted? Is the equipment in good condition?

7. Is a physical inventory of equipment done and is it reconciled with the property records at least once every two years?

8. Does the grant recipient have a system in place for the disposition of equipment? For grant recipients that are organizations that are not a state agency, do the disposition procedures mirror the disposition instructions outlined in 2 CFR 200.313(e)?

Notes:

OBJECTIVE 2.C: PROPERTY MANAGEMENT

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

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

Citation:

2 CFR 200.465

Instructions:

- ❑ Obtain a full listing of all rental (real and/ or personal) property.
- ❑ Select from a listing and obtain the lease or rental agreement.
- ❑ Verify that the grant recipient performed a purchase versus lease analysis and used GAAP's provisions to determine whether a lease is a capital lease as prescribed in 2 CFR 200.465(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

- ◆ Rental costs under leases are required to be accounted for as a financed purchase under GASB standards or a finance lease under GAAP.

- ◆ 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 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.

- ◆ Costs of idle facilities are allowable for a reasonable period of time, ordinarily not to exceed one year, depending on the initiative taken to use, lease, or dispose of such facilities. And if allowable, idle facilities or idle capacity costs could be charged as direct or indirect costs to an ETA grant.

- ◆ If rental costs are more than if the grant recipient would have purchased the property on the date the lease agreement was executed, then the excess amount would be unallowable to ETA grant funds (2 CFR 200.465(d)).

Questions for Review and Discussion:

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

2. If equipment was purchased or leased, did the grant recipient make a determination on the best option (leased or purchased)? Was a cost and/or price analysis performed to support the grant recipient's selected 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 if other options are available?

6. If the grant recipient has rental costs that are under leases, are they accounted for as a financed purchase under GASB standards or a financed lease under GAAP? Are rental costs only as much as if the grant recipient were to purchase the personal property?

7. 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?

   ▸ If the lease is an operating lease, are rent payments being allocated among the occupant programs in proportion to their space occupancy or another basis tied to relative benefit?

8. If the grant recipient has idle facilities or idle capacity that is being charged to the grant, is it:

   ▸ Necessary to meet workload requirements
   ▸ 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?

   If not meeting the criteria outlined above, costs related to idle facilities or idle capacity would be unallowable to ETA grant funds.

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

Notes:

(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.
- ❑ Review the policy for procedures on the handling of excess supplies purchased with grant funds after the grant's period of performance ends.

Tips:

- ◆ As long as the Federal Government retains an interest in the supplies, the recipient/subrecipient must not use supplies acquired under a Federal award to provide services to other organizations for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute.
- ◆ Upon termination or at the end of the grant's period of performance, if there are unused supplies exceeding $10,000 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.
  - ▸ If the grant recipient is obligated to follow the 2020 Uniform Guidance, the unused supplies total aggregate value is $5,000.
- ◆ If the supplies are sold, the Federal agency or pass-through entity may permit the recipient or subrecipient to retain, from the Federal share, $1,000 of the proceeds to cover expenses associated with the selling and handling of the supplies.

Questions for Review and Discussion:

1. Are the grant recipient's policies and procedures covering supplies sufficient and aligned with the requirements?
2. What procedure does the grant recipient have in place to recognize and differentiate when supplies and equipment are purchased with grant funds?
3. What mechanism does the grant recipient have a mechanism in place to ensure that grant funds are not used to procure an excess number of supplies 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 are sufficient to meet the requirements of the grant/project.

Citations:

2 CFR 200.315, 2 CFR Part 2900, Bayh-Dole Act, 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.

◆ In addition to the guidance set forth in 2 CFR 200.315(d), DOL requires intellectual property developed under a discretionary Federal award process to be in a format readily accessible and available for open licensing to the public. An **open 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. Open licenses allow American workers to obtain affordable, high-quality training that will lead to careers in high-wage industries. Grant recipients can continue to create technology-driven innovations in career training and education by openly licensing all grant-funded work. Please go to https://resources.data.gov/open-licenses/.

◆ Unless otherwise specified in the grant agreement, 2 CFR 2900 Intangible Property does not apply to state formula programs.

◆ Grant recipients that are small business firms, and non-profit organizations (including Institutions of Higher Education) must adhere to the Bayh-Dole Act, which requirements are provided at 37 CFR 401.3(a). To summarize, these requirements describe the ownership of intellectual property rights and the government's nonexclusive, nontransferable, irrevocable, paid-up license to use any invention conceived or first actually reduced to practice in the performance of work under this grant award. These requirements are in addition to those found in the Intellectual Property Rights term above.

▶ Note that DOL may allow exceptions from requirements of this provision for individual awards or classes of Federal awards when the exceptions are not prohibited by statute per 2 CFR 2900.13.

Questions for Review and Discussion:

1. What are the grant recipient's policies and procedures covering intangible property?

2. Has the grant recipient acquired or developed any intangible property with grant funds?

3. For intangible property developed with funds from a discretionary Federal award, is it in a format that is readily accessible and available for open licensing to the public?

4. 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-ETA 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 they use for procurement with non-Federal funds. For all other grant recipients, the policies and procedures conform to applicable Federal laws and the procurement standards identified in the Uniform Guidance. When conducting procurement transactions under a Federal award that was issued on or after October 1st, 2024, an Indian Tribe must follow the same policies and procedures it uses for procurements with non-Federal funds. If such policies and procedures do not exist, States and Indian Tribes must follow the procurement standards in 2 CFR 200.318 through 200.327.

Citations:

2 CFR 200.113, 2 CFR 200.216, 2 CFR 200.317-327, and Grant Terms and Conditions

Instructions:

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

- ❑ Interview key personnel or staff from the state central purchasing agency or other appropriate purchasing unit on the process for conducting procurement activities.

- ❑ Examine procurement 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.

- ❑ For conflicts of interest in procurement, please use Indicator 3.a.5: Conflicts of Interest

- ❑ Use Tool J: Procurement History File to assist in completing the indicator.

- ❑ 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. Determine, based on the characteristics below, if the party is a subrecipient or a contractor.

Subrecipient	Contractor
❑ Determines who is eligible to receive what Federal assistance	❑ Provides the goods and services within normal business operations
❑ Performance is measured by whether the objectives of the Federal program are met.	❑ Provides similar goods or services to many different purchasers
❑ Has responsibility for programmatic decision-making	❑ Normally operates in a competitive environment

Subrecipient	Contractor
❑ Responsible for adhering to applicable Federal program requirements	❑ Provides goods or services that are ancillary to the operation of the Federal program
❑ Uses Federal funds to carry out a program for a public purpose specified in authorizing statute	❑ Not subject to the compliance requirements of the Federal program
❑ Funded by a subaward	❑ Funded by a procurement contract

❑ In determining whether an agreement between a PTE and another PTE casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All the characteristics listed above may not be present in all cases, and the PTE must use judgment in classifying each agreement as a subaward or a procurement contract.

Tips:

◆ Grant recipients are required to report certain civil, criminal, or administrative proceedings to SAM.gov. Failure to make required disclosures can result in any of the remedies noncompliance, including suspension or debarment.

◆ In accordance with Executive Order 14005, Ensuring the Future Is Made All of America by All of America's Workers, the grant recipient agrees to comply with all applicable Made in America Laws. Award recipients are required to maximize the use of goods, products, and materials produced in, and services offered in, the United States, in accordance with the Made in America Laws. No funds may be made available to any person or entity (including as a contractor or subrecipient of the award recipient) that has been found to be in violation of any Made in America Laws. "Made in America Laws" means all statutes, regulations, rules, and Executive Orders relating to Federal financial assistance awards, including those that refer to "Buy America" or "Buy American," that require, or provide a preference for, the purchase or acquisition of goods, products, or materials produced in the United States, including iron, steel, and manufactured goods offered in the United States.

◆ Grant recipients and subrecipients are prohibited from obligating or expending grant funds to procure or obtain covered telecommunications equipment or services, as stated in 2 CFR 200.216.

◆ When conducting procurement transactions under a Federal award, a state or Indian Tribe must follow the same policies and procedures it uses for procurements with non-Federal funds. If such policies and procedures do not exist, states and Indian Tribes must follow the procurement standards outlined in 2 CFR 200.317-27. The flexibility for Indian Tribes begins with awards issued on or after October 1, 2024.

Questions for Review and Discussion:

1. What is the award recipient's procurement/purchasing policy on the following?

   ▸ Informal procurement for small purchases
      ▪ Micro-purchases
      ▪ Simplified Acquisitions
   ▸ Formal procurement
      ▪ Sealed bids/Formal advertising
      ▪ Proposals (Competitively)
      ▪ Noncompetitive purchases (sole source)

2. What is the grant recipient's 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?

3. Does the grant recipient maintain and periodically update employees/board members' signed and written conflict of interest statements?

4. Does the grant recipient have a domestic preference requirement as part of their policies and procedures and does it recognize Buy America laws?

5. 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 PTE all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award?

6. Does the grant recipient have procurement policies that include preferences for people residing in high-poverty areas, disadvantaged communities as defined by the Justice40 Initiative, OMB Memorandum M-21-28, or high-unemployment census tracts within a region no smaller than the county where a federally funded construction purchasing?

7. Does the grant recipient take affirmative steps to ensure that minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms are used when possible? Including opportunities to contract or subaward to historically black colleges and universities (HBCUs) and other Minority Institutions such as Hispanic-Serving Institutions and Tribal Colleges and Universities; and to Small Businesses Owned and Controlled by Socially and Economically Disadvantaged Individuals as outlined in EO 12928, Grant Terms and Conditions, and 2 CFR 200.321?

8. 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?

9. When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with appropriated Federal money, does the grant recipient (and its subrecipients) clearly state the following?

   ▸ The percentage of the total costs of the program or project which will be financed with Federal money
   ▸ The dollar amount of Federal funds for the project or program
   ▸ The percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources

   H1-B grants are not subject to this requirement because they are not funded through appropriated funds.

10. Does the grant recipient ensure that any goods or services obtained for grant activities, in whole or in part, are not mined, produced, manufactured, or harvested by forced or indentured child labor in industries and host countries identified by the DOL prior to December 29, 2022? List of Products Produced by Forced or Indentured Child Labor.

Notes:

OBJECTIVE 2.D: PROCUREMENT AND CONTRACT ADMINISTRATION

(C) Indicator 2.d.2: Competition

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

Citations:

2 CFR 200.319 and 2 CFR 200.334

Instructions:

❑ Review procurement policies and procedures or other written guidelines that are used in the procurement of both goods and services.

❑ Interview staff responsible for procurement or, if applicable, interview staff from the state central purchasing agency or department.

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(c) apply.

◆ Formal competitive procurement methods require bids to contain a dollar amount. Bids without dollar amounts cannot be fairly evaluated or rated.

◆ Record retention requirements, as specified in 2 CFR 200.334, are typically three years from the date of submission of the final expenditure report.

Questions for Review and Discussion:

1. What is the grant recipient's process for procurement activities?

2. How does the grant recipient ensure that it conducts procurement activities in a manner to ensures 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
   ▸ Conflicts of interest – real, apparent, and organizational
   ▸ Specifying only a "brand name" product instead of allowing "an equal" product to be offered
   ▸ Any arbitrary action on the procurement process

   When it is impractical or uneconomical to clearly and accurately describe the technical requirements of the brand name or equivalent product, a description of features may be used to meet the procurement requirements. The name brand's specific features must be stated clearly, however.

3. Does the grant recipient have noncompetitive procurement (sole source) procedures? For organizations that are not a state agency, do these procedures conform to the Uniform Guidance at 2 CFR 200.320(c)?

4. For noncompetitive procurement (sole source), how are noncompetitive procurement determinations documented? Does one or more of the circumstances outlined in 2 CFR 200.320(c)(1-5) 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 several sources, competition is determined inadequate

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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.

Citations:

2 CFR 200.318 and 2 CFR 200.320

Instructions:

❑ Review the procurement policy to gain an understanding of the different procurement methods at various dollars.

❑ During the transaction testing in Objective 3.f: Allowable Cost and Cost Classification, review the procurement method used and ensure that it is in accordance with the award recipient's procurement policy and regulations.

❑ Obtain a full listing of all the contracts that the grant recipient has entered into during the grant's period of performance.

❑ Review the procurement history file of any goods or services selected during the transaction testing.

❑ Use Tool Q: Audit Resolution Tracking Checklist to assist in completing the indicator.

Tips:

◆ The Uniform Guidance breaks down the five methods of procurement into three categories:

▸ Informal Procurement

- Micro-purchases (less than $10,000)
- Simplified acquisitions (less than $250,000)

▸ Formal Procurement

- Sealed bid purchases (publicly solicited through an invitation)
- Competitive proposal purchases

▸ Noncompetitive Procurement

- Noncompetitive purchases (special circumstance purchases 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, equipment, or services under $10,000 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 $10,000 and $250,000 can use the "simplified acquisitions" (formerly called "small purchases") procedures. Simplified acquisition 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 the website, or generated via an online search engine). The Uniform Guidance excludes the small acquisition method from the cost and/or price analysis requirement.

- The micro-purchase and SATs are subject to change based on inflation. Please review the FAR for updated threshold amounts at 48 CFR 202.101 (Definitions).

- All contractor/vendor contracts must be competitively procured using one of the five methods described above. ETA encourages competitive procurement of subrecipient subawards, but subrecipient procurement is not required unless:

  - Required by law/regulation (e.g. WIOA's requirement for one-stop operators) or

  - Required by the grant recipients' own policy.

  In addition, grant recipients may always opt to procure a subrecipient even when it is not required by law/regulation or their own policy.

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

Questions for Review and Discussion:

1. For the purchase of goods and/or services, how does the procurement history file demonstrate that it used one of the methods outlined above?

2. How does the file demonstrate that procurement was conducted in a full and open competition?

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 actions in excess of the SAT, including contract modifications. The method and degrees of analysis are dependent on the procurement situation, but the award recipient must make independent estimates prior to receiving bids or proposals.

Citations:

2 CFR 200.324 and TEGL 8-20

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.).

❑ Use Tool K: Contract or Agreement Checklist to assist in completing the indicator.

Tips:

◆ An 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 that 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 200.324. Such contracts may also be considered cost-plus-fixed fees 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 (see 20 CFR 683.500 and TEGL 8-20). 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 an award 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 200.324 requires that profit is reasonable, fair, and 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 a profit under Federal awards. When selecting a for-profit entity as a subrecipient, the standards on allowable costs 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 SAT? How does the grant recipient use cost/price analysis?

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. 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?

5. If applicable, how does the award recipient negotiate profit as a separate element of the price for each contract?

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 consider the following factors to determine the amount of profit to be earned under the contract? Risk factors include:

   ▶ Complexity of work
   ▶ Risk is borne by the contractor
   ▶ Contractor's investment
   ▶ Amount of subcontracting
   ▶ Record of past performance
   ▶ Industry profit rates in the geographic area for similar work

Notes:

OBJECTIVE 2.D: PROCUREMENT AND CONTRACT ADMINISTRATION

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

The grant recipient maintains a system for contract 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 200.327

Instructions:

- ❑ Interview staff persons who are involved or familiar with the procurement and contracting process.
- ❑ Review recent contracts and subawards to determine that all required terms and provisions are contained in the agreement.
- ❑ Use Tool K: Contract or Agreement Checklist and Tool L: Monitoring Report Tracking Worksheet to assist in completing the indicator.

Tips:

- ◆ Contracts should include a specified SOW that outlines the goods or services being rendered in consideration or specified payments.
- ◆ Basic contract law specifies the essential elements of a contract must contain:
  - ▶ **An Offer** – A conditional promise made by the offeror to the offeree giving the offeree the ability to accept.
  - ▶ **A Consideration** – The giving or promise of something of value by one party in exchange for the promise of something of value from another party.
  - ▶ **Authorized Officials and Purpose** – Parties involved must have the authorization to make an offer and the purpose should be of legal and authorized purposes and during an authorized period.
  - ▶ **The Acceptance** – An unconditional agreement with the terms of the offer.
- ◆ Additional elements that are sound business practices include:
  - ▶ The contract must be in writing and signed by both parties (authorized officials).
  - ▶ 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.
  - ▶ Specific period of performance beginning and end dates.

Questions for Review and Discussion:

1. For the Federal awarding agency or PTE pre-procurement review, does the grant recipient make available upon request procurement documents such as requests for proposals, invitations for bids, or independent cost estimates?

2. Is the individual(s) responsible for signing an agreement authorized to properly enter into contracts on behalf of the grant recipient? Is the signatory(ies) authorized to sign on behalf of the organization?

3. What is contained in the award recipient's boilerplate contract or subrecipient agreement? Are all required terms and provisions included?

4. How does the award recipient review contracts and confirm the terms and conditions of the contract are being met?

5. What is the grant recipient's process for the closeout of contracts? Do the contract closeout policies and procedures address the following:

   ▶ Final payment?
   ▶ Final deliverable of good and/or service?

6. 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

7. What documentation does the award recipient maintain to sufficiently detail the history of the procurement? Does the procurement history file include:

   ▶ Rationale for the method of procurement
   ▶ Selection of contract type
   ▶ Basis for contractor selection or rejection
   ▶ Basis for the contract price

Notes:

OBJECTIVE 2.E: PERFORMANCE MANAGEMENT

The recipient maintains a performance management system to manage, track, and measure performance and operating goals, indicators, milestones, and expected levels of performance.

(C) Indicator 2.e.1: Performance Reporting

The grant recipient adheres to reporting requirements for the grant award. Reports must be accurate, complete, and timely. Submission of reports may compare actual results to planned results, describe obstacles to the achievement of grant objectives, and provide details on corrective actions.

Citations:

2 CFR 200.329(b) and Grant Terms and Conditions

Instructions:

- ❑ Review the following documents (as applicable):
  - ▶ SOW/State Plan/Local Plan/PIP
  - ▶ Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, etc.)
  - ▶ All applicable policies, procedures, and tool(s) the grant recipient may have developed to support accurate performance reporting
  - ▶ Data collection requirements

- ❑ 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.

- ❑ Use Resource E: Performance Reports and Systems, Tool G: WIOA Adult and DW Participant File Review, and Tool H: WIOA Youth Participant File Review to assist in completing the indicator.

Tips:

- ◆ Performance outcomes are quantifiable metrics that assess a grant recipient's effectiveness in achieving positive outcomes for individuals and employers. 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 ES, Jobs for Veterans Act, National Farmworker Jobs Program, Trade Adjustment Assistance, and other ETA-funded programs.

- ◆ This indicator speaks to the general reporting requirements for all DOL-ETA, whereas Indicator 2.e.4: Performance Reporting for the PIRL speaks only to the programs that use the PIRL to measure their performance objectives.

Questions for Review and Discussion:

1. What is the grant recipient's process to properly identify, collect, record, validate, and report the performance data required in the OMB-approved reporting package for the grant award?

2. How 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. How does the grant recipient ensure performance reports are 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? What is the system in place to compare actual program results with the established goals or measures?

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?

Notes:

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

The grant recipient has a performance monitoring tool(s) 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.

Citations:

2 CFR 200.329(b) and 2 CFR 200.329(c)(2)(i)

Instructions:

- ☐ Review the grant recipient's progress to date in meeting 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 Grantee Handbook for more information on monitoring a grant's performance progress.

Questions for Review and Discussion:

1. How does the grant recipient compare planned project performance to actual performance results?

2. How does the grant recipient use financial and performance data to improve the grant program?

3. Does the grant recipient identify performance challenges and take corrective action? How are challenges and efforts to correct them communicated to ETA?

4. What corrective actions have been taken by the grant recipient to address current and past challenges?

Notes:

✓ OBJECTIVE 2.E: PERFORMANCE MANAGEMENT

(C) Indicator 2.e.3: Data Validation

The grant recipient has a system in place to ensure data submitted for performance reporting is valid and reliable. The grant recipient has a shared data validation framework that ensures consistency and comparability across programs and complies with DOL parameters, and source documentation requirements.

Citations:

20 CFR 677.240, TEGL 5-18, TEGL 7-18, TEGL 23-19 Change 1, and Change 2

Instructions:

- ❑ Review the following documents (as applicable):
  - ▶ State Quarterly and Annual Reports
  - ▶ Regional Data Analysis Tools
  - ▶ Any State Developed Data Analysis Tools
  - ▶ WIOA State Plan
  - ▶ WIOA Annual Statewide Performance Report Narrative
  - ▶ DOL Quarterly Performance Feedback Provided to Grant Recipient
  - ▶ Data Validation Policy and Procedure
  - ▶ Monitoring Policy and Procedure
  - ▶ Participant Case Files
  - ▶ Most Recent Data Validation Review Documentation
  - ▶ Data Validation Finding and Corrective Action Reports

- ❑ Review the documents above to ensure that they align with the grant recipient's data validation strategy.

- ❑ Walk through the grant recipient's most recent data validation review and compare the results to determine whether the State's data validation process is effective in identifying errors and missing data and ensuring appropriate corrective action is taken.

- ❑ Refer to Resource E: Performance Reports and Systems when reviewing the data validation indicator.

Tips:

- ◆ Grant recipients may create their own data validation strategy that conforms to the parameters outlined in TEGL 7-18, TEGL 23-19, Change 1, and Change 2. The frequency with which they employ that strategy is also up to their discretion, though quarterly is recommended. (Formula programs must conduct data validation at least annually.)

- ◆ When conducting a review of their data validation results, GM staff should note any instance where their review differs from the state's review of the element or did not follow the state policy and procedures. GM staff should also note whether there are patterns in the types of errors in data.

- ◆ To that end, the purposes of validation procedures for both DOL-only and jointly-required performance data are to:

- ▶ Verify that the performance data reported by grant recipients to DOL are valid, accurate, reliable, and comparable across programs
- ▶ Identify anomalies in the data and resolve issues that may cause inaccurate reporting
- ▶ Outline source documentation required for common data elements, which is used to compare the data reported by the grant recipient
- ▶ Improve program performance accountability through the results of data validation efforts

Questions for Review and Discussion:

1. What is the grant recipient's data validation strategy? How does the grant recipient assess the effectiveness of the data validation process? How often does this type of assessment occur?

2. What software, if any, is used to conduct data validation?

   - ▶ Does the grant recipient use a specific statistical validation sampling methodology? Is the sampling method random?
   - ▶ What does the grant recipient deem a sufficient representation of records for each program, and for each required element in that program?

3. Does the written procedure contain a description of the process for identifying and correcting errors or missing data?

   - ▶ How are electronic data checks performed?
   - ▶ What is the process for identifying and correcting errors or missing data?

4. How does the grant recipient train appropriate program staff on data validation? How often does training occur?

5. How are monitoring protocols linked to the data validation policy and procedures?

6. How often does the grant recipient conduct data integrity reviews of program data? Who conducts those reviews?

7. How does the grant recipient document the correction of missing and erroneous data identified during a review?

8. How does the grant recipient utilize quarterly feedback provided by DOL regarding performance report anomalies, outliers, and other potential data quality issues?

9. How does the grant recipient validate information included in the WIOA annual report?

10. Is the use of self-attestation in accordance with TEGL 23-19, Change 1?

11. For grant recipients that are PTEs, do they issue a policy on how a subrecipient is to conduct data validation for information submitted to the PTE's MIS system? How do subrecipients conduct data validation?

12. Does the grant recipient's system ensure the accuracy and reliability of the data and perform the following:

    - ▶ The means to be used to verify and validate measured values
    - ▶ Identify the sources for the data
    - ▶ The level of accuracy required for the intended use of the data
    - ▶ Identify any limitations to the data at the required level of accuracy
    - ▶ How the agency will compensate for such limitations, if needed, to reach the required level of accuracy

OBJECTIVE 2.E: PERFORMANCE MANAGEMENT

(C) Indicator 2.e.4: Performance Reporting for the PIRL

The grant recipient adheres to all applicable reporting requirements including accurate, complete, and timely submission into the Participant Individual Record Layout (PIRL).

Citations:

WIOA sec. 116, 2 CFR 200.329(b)(1), 20 CFR 653.109, 20 CFR 677.155-175, 20 CFR 677.205, 20 CFR 677.210, 20 CFR 677.235, 20 CFR 683.300, TEGL 10-16 Change 3, TEGL 14-18, TEGL 11-19 Change 1, TEGL 23-19 Change 1 and Change 2, and Grant Terms and Conditions

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Instructions:

- ❑ This indicator is to be completed by the Performance Specialists.
- ❑ Review the following documents (as applicable):
  - ▶ State Plan/Local Plan
  - ▶ SOW
  - ▶ Grant Recipient/State Performance Reports (Quarterly, Annual, and Narrative)
  - ▶ Subrecipient/Local Performance Reports
  - ▶ Grant Recipient/State Performance Reporting Policies and Procedures
  - ▶ Subrecipient/Local Performance Reporting Policies and Procedures
  - ▶ Grant Recipient/State MIS Policies and Procedures
  - ▶ Approved Waivers
  - ▶ Subrecipient/Local MIS and Data Quality Assurance Policies and Procedures
  - ▶ Subrecipient/Local Data Entry Timeliness Policies and Tools
  - ▶ Subrecipient/Local Data Entry Tools

- ❑ Interview grant recipient staff to determine how performance data reported to ETA is collected and reviewed for accuracy.

- ❑ Interview grant recipient and/or subrecipient management to determine how data is collected and entered into the MIS.

- ❑ Ensure that data is being reported accurately by reviewing the quarterly and annual reports to identify outliers in the data, zeros (non-reporting), or low actual results (outcomes).

- ❑ Determine if all individuals served by the program are included in the report submission (no individuals are left out of the reporting), and that all services are recorded on the actual dates a service is provided rather than planned dates.

- ❑ Review the recent submission to ensure that it contains exited cohorts for the previous 10 quarters.

- ❑ Utilize any errors found through data analysis, data validation, data integrity checks, quarterly review analysis (QRA), and case file review, where applicable, to inform the discussion for this Indicator.

- ❑ Use Resource E: Performance Reports and Systems, Tool G: WIOA Adult and DW Participation File Review, and Tool H: WIOA Youth Participation File Review to assist in completing the indicator.

Tips:

◆ The PIRL is a collection of individual records submitted via WIPS, each of which contains information about an individual participant's characteristics, services received, and outcomes. The data layout it provides ensures consistent and comparable data collection and reporting.

◆ The PIRL is used by the following programs: WIOA, TAA, RESEA, NFJP, REO, YB, JVSG, H-1B Skills Training Grants, Job Corps, Apprenticeship, Community Project Grants, and Demonstration Projects.

◆ Many reporting errors come to light through case file review. A reminder that recipients are required to ensure that data reported to DOL is valid and accurate. They are advised through TEGL 7-18 and TEGL 23-19 of the data validation framework and DOL-specific parameters. During case reviews, GM staff should keep a spreadsheet of any reporting-related errors and note any patterns as they could indicate a systemic issue that must be addressed. States should ensure accurate data collection that goes beyond the automated edit checks in WIPS.

◆ When reviewing tools for data collection and entry, here are a few things to consider:

  ▸ Content requirements for items such as case notes
  ▸ Under what circumstances is a case note required
  ▸ Timeframes for ensuring case notes are recorded in the MIS
  ▸ Requires staff to enter dates of actual services received on the precise date those services were provided
  ▸ Describes how the MIS auto-calculates the 90 consecutive days of no qualifying, participant-level services to determine a system-generated exit date
  ▸ When can exclusions be entered for participants who are unable to continue to receive services
  ▸ How are scheduled services for the future are recorded
  ▸ When are exclusions and future scheduled services appropriate

◆ WIOA services cannot be denied due to a lack of a social security number (SSN).

◆ 20 CFR 677.165 describes that a state may establish additional indicators of performance.

◆ 20 CFR 677.175 describes states' responsibilities to use quarterly wage record information for performance accountability.

Questions for Review and Discussion:

1. How does the grant recipient prepare annual performance and narrative reports?

   ▸ Were required data reports submitted timely and completely for both quarterly reports and annual data reports?
   ▸ Has the grant recipient requested and been granted extensions on annual reporting in the most recent two PYs? If so, have the issues that led to delayed reporting been addressed?
   ▸ Has the grant recipient ensured that the reports are complete, accurate, and submitted on time?

2. What is the grant recipient's process for submitting complete, accurate, and timely reports?

   ▸ Is the grant recipient using a single, integrated file submission for multiple programs to submit the individual records, or is the grant recipient submitting one file for each of the programs, if applicable?

3. How does the grant recipient ensure that all individuals receiving services, all required characteristics of those individuals, and all corresponding services, in the performance reporting period are reported?

4. How are exit dates calculated?

- ▸ Check the file review process. Confirm that exit dates match actual services delivered and services correctly trigger participation or extend exit.
- ▸ What is the exit process? Is there any opportunity for staff to override MIS exit dates?

5. In the file review, have any services been denied to participants per the case notes in the 90 days following the MIS auto-exit?

6. How are self-service, information-only activities recorded in the grant recipient's case management system?

- ▸ How are service delivery activities mapped to data elements?
- ▸ Are various services categorized in the MIS correctly to report on the PIRL?

7. How are participants captured in the case management system?

- ▸ Does the grant recipient have a policy about whether participants are counted in all programs, or under one program?
- ▸ How does the grant recipient area avoid duplication of counts across programs?

8. If possible, review participant levels for grant recipients with similar policies. Do the levels appear in line with those recorded by grant recipients with similar participant policies? If not, why not?

9. How does the grant recipient track employer services?

10. Is the case management system integrated?

- ▸ Do partners share or access the system for purposes of common intake, enrollment, recording services, or outcomes?
- ▸ Do any programs use a common intake form?
- ▸ Are all characteristics and data elements required by the PIRL being appropriately collected and reported?
- ▸ How is wage information gathered for participants who decline to provide their SSNs at enrollment?

11. How does the grant recipient use out-of-state quarterly wage data for performance accountability?

- ▸ Are participants assigned a unique identifier for performance tracking (rather than relying on the usage of SSNs)?
- ▸ Is the identifier common among reporting programs or is there a methodology for record matching across programs?
- ▸ Is the unique identifier maintained across participation periods?

12. How are services for walk-in customers recorded (such as customers who use the resource room, receive self-services, or use information-only services)?

13. Does the grant recipient report supplemental employment and wage information? If so, what are the policies for inclusion of supplemental employment and wage information in performance reporting?

- ▸ If used, does the gathering of supplemental wage and employment data comply with Federal and state guidance?
- ▸ If applicable, does the grant recipient have follow-up procedures to encourage staff to collect the following supplemental information after exit: employment, earnings, O*NET/SOC code of employment post-exit, training-related employment (TRE), and any credential earned up to 12 months post-exit?

14. If the grant recipient has converted fully or partially to all-electronic record-keeping, did it comply with the Federal records retention policy in completely scanning and uploading information for electronic storage for the full retention period?

(C) Indicator 2.e.5: Progress Monitoring for the PIRL

The grant recipient reviews its progress on a regular basis to ensure accurate, complete, and timely submission of the PIRL into the WIPS system.

Citations:

2 CFR 200.329(b), 2 CFR 200.329(c)(2)(i), TEGL 10-16 Change 3, TEGL 14-18, TEGL 11-19 Change 1, TEGL 23-19, Change 1 and Change 2, and Grant Terms and Conditions

Instructions:

❑ This indicator is to be completed by the Performance Specialists.

❑ Review the following documents (as applicable) to understand the grant recipient and/or subrecipient's goals and how they evaluate progress toward those goals:

▸ State/Local Plan
▸ SOW
▸ PTE/State Monitoring and Performance-Related Monitoring Policy and Procedure
▸ Grant Recipient/State Monitoring Tools
▸ Subrecipient/Local Monitoring Tools
▸ Grant Recipient/State Data Quality Policy
▸ Subrecipient/Local Data Quality Policy
▸ State Definitions
▸ Service Categories
▸ Participant Files and Reportable Individual Files
▸ Exit/Common Exit Policy
▸ Data Validation (joint and DOL-only)
▸ Effectiveness in Serving Employers
▸ Eligible Training Providers
▸ PIRL
▸ Research & Evaluations
▸ Participant and Employer Satisfaction Tools/Forms
▸ Past Monitoring Reports & Schedules

❑ Interview grant recipient and/or subrecipient staff to determine the mechanisms they employ to assess their service delivery and progress toward meeting their negotiated performance goals or other goals outlined in their plan. Determine how these assessments are used for continuous improvement and corrective action.

❑ Compare the programs with a Common Exit indicated on the WIPS report with the grant recipient's policy and ensure that they match.

❑ Utilize any errors found through data analysis, data validation, data integrity checks, quarterly review analysis (QRA), and case file review, where applicable, to inform the discussion for this indicator.

Tips:

◆ Some reporting is required on "reportable individuals" who engage with the workforce development system on an initial level, but who do not complete the requirements to become participants. But only "program participants" are included in performance.

Questions for Review and Discussion:

1. Review the policy related to the grant recipient's case management system. Does the policy address the following issues in compliance with regulations and guidance:

   ▶ Access and use of the system
   ▶ Data sharing with partners
   ▶ Wage related data

   ▪ Interstate wage record matching
   ▪ State Wage Interchange System (SWIS) for intrastate wage record matching

   ▶ Data entry requirements:

   ▪ How long do case managers have to enter data into the system?
   ▪ Can policies/procedures/manuals for the case management system including which staff at which administrative levels override an exit? Under what circumstances?

   ▶ Procedures or policies regarding data quality including the timeliness, frequency, and required content of case notes:

   ▪ How are policies communicated to the staff and case managers?
   ▪ Does the PTE/State conduct staff training related to performance and accountability on a regular basis?

2. What are the grant recipient's specific performance accountability policies or procedures for the following:

   ▶ Participants
   ▶ Service Category(ies)
   ▶ Measurable Skills gain
   ▶ Exit including Common Exit (if applicable), and other exclusions
   ▶ Post-exit follow-up and supplemental data collection

3. How is the information collected for the following post-exit outcome data:

   ▶ Earnings

   ▪ SWIS
   ▪ Supplemental Wage Information

   ▶ Employment status
   ▶ O*NET code
   ▶ Training-Related Employment
   ▶ Credentials

4. Does the grant recipient have a correct service category chart or map indicating how services align to the PIRL data elements?

5. Does the grant recipient have a common exit policy? If yes, which programs are included?

▶ Does the policy indicate that the exit should be based on the last service date in any program included in the policy?

▶ Are all programs included in the policy utilizing the same MIS or case management system, and if not, how is record matching accomplished to calculate the exit dates?

▶ Does this policy align with the co-enrollment policy, if applicable?

6. How is participant satisfaction information, from job seekers and employers, being collected? How are the results used?

7. How does the grant recipient track both its own progress toward meeting negotiated performance indicator goals and that of their subrecipient(s)?

8. Does the grant recipient and any subrecipient(s) have an approved data entry policy or procedure that supports timely, accurate, and complete reporting?

9. What is the grant recipient's policy for monitoring of performance and data quality, including staff roles and responsibilities for processing findings, addressing those findings, frequency of monitoring, and the monitoring schedule?

10. How is performance data used for corrective action and continuous improvement? How is performance data analyzed and then acted upon on a regular basis? What efforts are they making to ensure continuous improvement in both data quality and accuracy?

11. What is the process in place for providing oversight of subrecipient(s) performance results, analyzing their quarterly reported data, and ensuring ongoing subrecipient performance accountability by the end of the program year for accurate annual reporting?

12. What evidence is used to determine whether a subrecipient should be sanctioned? How does the grant recipient apply sanctions to underperforming subrecipients? Has the grant recipient and/or a subrecipient ever been sanctioned for low performance?

Notes:

OBJECTIVE 2.F: SUBRECIPIENT MANAGEMENT & OVERSIGHT

If applicable and as a PTE, the grant recipient manages any 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 PTE, has determined whether each agreement casts the party in the role of a subrecipient or contractor.

Citations:

2 CFR 200.331 and 2 CFR 200.332

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 a subrecipient and a 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, and 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 are lists of characteristics that determine if the party is a subrecipient or a contractor.

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

Questions for Review and Discussion:

1. How does the PTE identify each third-party as a subrecipient or a contractor?

2. How does the PTE identify the distinction between the two roles 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 when selecting subrecipients.

Citations:

2 CFR 200.205, 2 CFR 200.206, 2 CFR 200.208, 2 CFR 200.213, 2 CFR 200.318, 2 CFR 200.331, 2 CFR 200.332(a), (b) and (c), 2 CFR Part 2900, and TEGL 2-12

Instructions:

- ❑ Review the PTE's written procedures for the selection of subrecipients, including factors that are used to evaluate third parties prior to giving them a subaward.
- ❑ Review the PTE's required conflict of interest provisions.
- ❑ Select subawards to examine, then review the PTE's risk analysis when deciding on which subrecipient to work with.
- ❑ If applicable, identify if any specific award conditions were imposed by the PTE.
- ❑ Use Tool A: SMART Risk Assessment Scorecard to assist in completing the indicator.

Tips:

- ◆ Grant recipients are expected to perform a risk assessment as outlined in 2 CFR 200.332(b) and although 2 CFR 200 does not elaborate on the criteria or methods, effective business practices may be found in subpart C which outlines Federal awarding agencies' requirements.

- ◆ 2 CFR part 180 discusses OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement). Note that these guidelines apply to all Federal funds and therefore grant recipients may not contract or subaward with any entities that have been debarred or suspended from receiving Federal funds. In accordance with the Grant's terms and conditions, the grant recipient may not engage with any corporation that was convicted of a felony criminal violation under any Federal law within the preceding 24 months. In addition, the grant recipient may not engage with any corporation that has any unpaid Federal tax liability that has been assessed.

- ◆ SAM.gov is a Federal awards system managed by 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.

- ◆ Subrecipients must obtain a UEI prior to receiving a subaward but are not required to register on SAM.gov.

Questions for Review and Discussion:

1. How does the grant recipient, acting as a PTE, evaluate each subrecipient's risk of compliance with Federal statutes, regulations, and the terms and conditions of the subaward?

2. For PTEs, are they tracking their subrecipients' compliance with UEI requirements?

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. If identified during a review of subawards, what specific award conditions did the PTE place as described in 2 CFR 200.208?

5. What procedures does the PTE have 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. What are the PTE's procedures to report allegations of fraud, program abuse, or criminal conduct involving subrecipients receiving Federal funds either directly or indirectly from ETA?

Notes:

OBJECTIVE 2.F: SUBRECIPIENT MANAGEMENT & OVERSIGHT

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

The grant recipient, when acting as a PTE, must provide management and technical assistance to all its subrecipients.

Citations:

2 CFR 200.331, 2 CFR 200.333, 2 CFR 200.337, 2 CFR 200.414, 2 CFR 200.415(b), and 2 CFR 200.501(f)

Instructions:

- ❑ Walk through how the PTE selected the subrecipient(s).
- ❑ Review any evaluation criteria that the PTE used to determine "responsible" entities to work with.
- ❑ Interview key personnel to gain an understanding of how the PTE performs the following additional duties with its subrecipient(s) outlined in the Uniform Guidance.
- ❑ Use Tool M: Monitoring Report Tracking Worksheet to assist in completing the indicator.

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. In addition, subrecipients must also comply with all rules and requirements that apply to the grant recipient's use of Federal funds.
- ◆ When deciding to work with another entity, in the capacity of a subrecipient or contractor, as stewards of Federal funds, it is the responsibility of the PTE to perform its due diligence to ensure that it works with entities that possess the ability to perform successfully under the terms and conditions of a proposed subaward or procurement, program requirements and guidelines, and any other administrative provisions outlined in the grant agreement.
- ◆ When Federal funds are being used, those that are awarding those funds are making the determination that they are working with entities that are able to fulfill all the necessary requirements to perform the subaward successfully. PTEs may perform a risk evaluation similar to the one outlined in 2 CFR 200.206(b).
- ◆ Please see Indicator 3.b.3: Subrecipient's Financial Reporting for assistance when reviewing any subrecipient's financial reporting.

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 UEI)
   - ▸ Subrecipient's UEI
   - ▸ 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 PTE
- Total amount of the Federal award committed to the subrecipient by the PTE
- Federal award project description
- Name of Federal awarding agency, PTE, and contact information for awarding official of the PTE
- Assistance Listings on SAM.gov; the PTE must identify the dollar amount made available under each Federal award
- Indirect cost rate for the Federal award (including if the de minimis rate is charged)

2. Do subawards contain specific and measurable performance goals that are quantified?

- Does the PTE's subrecipient have budget controls in place to ensure allowability of costs and analysis of results? Do these goals measure all primary activities and end-results to be accomplished? If not, how does the PTE hold them accountable for these other activities?
- Are the performance goals broken out into shorter increments of time, such as quarterly? If not, how does the PTE measure performance during the subaward?

3. Do the subawards contain any provisions requiring corrective action when performance goals are not being met? If not, how does the PTE enforce the performance terms of the subaward?

4. What are the subrecipient's budget controls and how frequently do they communicate their budget-to-actual expenses to the PTE?

5. What is the PTE's amendment process with the subrecipient to ensure timely submission prior to any actions that require prior approval?

6. How did the PTE ensure that the subrecipient has systems in place to track and report performance and financial data in a timely manner? Do subrecipients submit to the PTE all financial reports using an accrual basis?

7. How does the subrecipient determine allowability of costs? What is the PTE's review process to verify if a subrecipient's costs are reasonable, necessary, allowable, and allocable?

8. How does the PTE provide technical assistance to the subrecipient in a timely matter?

9. 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? Did the PTE place is subrecipient on any specific conditions, as outlined in 2 CFR 200.206(b), due to a high risk evaluation or noncompliance?

10. If the PTE decided to terminate the subaward early, were the actions outlined in 2 CFR 200.340 and 200.341 followed?

Notes:

OBJECTIVE 2.F: SUBRECIPIENT MANAGEMENT & OVERSIGHT

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

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

Citations:

2 CFR 200.332 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.
- ❑ If applicable, review the PTE's monitoring tool and any monitoring reports.
- ❑ For subrecipient closeout use Indicator 2.a.3 Closeout Requirements for assistance.
- ❑ Use Tool C: 4 Cs and 5 Whys Tool and Tool M: General Appeals Process to assist in completing the indicator.

Tips:

- ◆ PTEs 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
  - ▶ On-target to meet its performance goals
- ◆ When filing mandatory Federal reports on subrecipients, PTEs will use SAM.gov starting in Spring of 2025. SAM.gov has taken over for the Federal Subaward Reporting System (FSRS). The Federal Funding Accountability and Transparency Act (FFATA) also requires information on Federal awards be made available to the public via a single, searchable website at USASpending.gov. These requirements began when the UEI system was rolled out by GSA.

Questions for Review and Discussion:

1. What are the PTE's policies and procedures, tools and guides, and resources and methods in place for monitoring and oversight?

   - ▶ How does the PTE ensure all required elements of the program regulations, Uniform Guidance, and grant terms and conditions are reflected within the monitoring tool?
   - ▶ How often are monitoring tools, guides, etc. updated?

2. How does the PTE perform the required monitoring of the subrecipient to ensure the award is used for authorized purposes?

3. How often do monitors conduct either on-site or virtual monitoring? How often are desk reviews conducted? What do these desk reviews entail?

4. How does the state train staff members who are responsible for subrecipient monitoring?

5. How does the PTE determine the scope of each review?

   ▶ Is risk assessment utilized to determine the scope/target of the reviews?
   ▶ If reviews are targeted, how does the PTE ensure that all elements of the grant are monitored over time?

6. After reviewing the monitoring reports issued by the PTE, what are the corrective action plans for the subrecipient's issues/findings?

7. How are corrective action plans for issues/findings resolved?

8. What is the PTE's approach to communicating information to subrecipients about findings, concerns, and observations?

9. What is the PTE's resolution process for findings? Review past monitoring reports and ensure there has been proper resolution on past findings and if the same conclusion would be reached if ETA performed the review.

   ▶ Does the resolution process involve the subrecipient's responses/disagreements on findings and input on corrective action plans?
   ▶ How does the PTE track findings to resolution? What mechanisms are used to track follow-up and resolution of findings?

10. Do monitors have a technical assistance plan/strategy? How were these developed?

Notes:

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 the grant agreement.

Citations:

2 CFR 200.334 and 2 CFR 200.336

Instructions:

❑ Review the grant recipient's record retention and access policy.

❑ Interview staff responsible for record retention.

❑ Refer to Resource C: Records Retention Guide for more information.

Tips:

◆ In accordance with the May 2013 Executive Order, "Making Open and Machine Readable the New Default for Government Information", the grant recipient, when possible, 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 of whether 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 include 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 200.334 in the Uniform Guidance and 29 CFR Part 71 in detail for record retention requirements.

◆ Per guidance from TEN 24-18 and guidance relating to Promising Practices: WIOA sec. 188, AJC programs should have written policies regarding access to and storage of customer medical information. For example, all non-medical records must be kept separately from medical records. Medical records include insurance application forms as well as health certificates, results from physical exams, etc.

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. What is the grant recipient's record retention policy, and does it meet the requirements of applicable Federal laws and regulations?

3. What is the grant recipient's record retention schedule for grant records? Are appropriate dates attached 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?

6. What systems did the grant recipient use to collect, transmit, and store Federal award-related information in open and machine-readable formats?

Notes:

(C) Indicator 2.g.2: Access to Records

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

Citation:

2 CFR 200.336

Instructions:

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

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 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.

- ◆ OIG has the authority to request such information or assistance as may be necessary for carrying out the duties and responsibilities from any Federal, state, or local governmental agency or unit thereof. If requested by OIG, grant recipients must share their records in an accessible manner.

Questions for Review and Discussion:

1. How does the grant recipient make grant records accessible and available for timely review by authorized officials and representatives?

2. If the grant recipient converted fully or partially to all-electronic record-keeping, did it comply with the Federal records retention policy in completely scanning and uploading information for electronic storage for the full retention period?

Notes:

✓ OBJECTIVE 2.G: RECORD MANAGEMENT

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

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

Citations:

2 CFR 200.303, 2 CFR 200.336, 2 CFR 200.338, TEGL 39-11, TEGL 21-23, and Grant Terms and Conditions

Instructions:

❑ Review the grant recipient's protected PII policy and procedures.

❑ Ensure that there are enough safeguards in place to protect all participants protected PII.

Tips:

◆ The grant recipient(s) must recognize and safeguard PII except where disclosure is allowed by prior written approval of the Grant Officer or by court. The award 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 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.

◆ There are varying levels of PII: low, medium, and high. In most cases, grant recipients will be handling low to medium levels of PII. As an obligation to protect confidentiality, government-wide privacy laws, regulations or mandates apply to the low level. At the medium level, role-specific privacy laws, regulations, or mandates mission-specific privacy (e.g., those that cover certain types of healthcare or financial information) apply that add more restrictive requirements to government-wide requirements. Violations may result in limited to more serious civil or criminal penalties.

◆ Documentation of medical information, including disability documentation, is considered protected PII. HHS issued the Privacy Rule to implement the requirement of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Privacy Rule standards address the use and disclosure of individuals' health information— called "protected health information" by organizations subject to the Privacy Rule as well as standards for individuals' privacy rights to understand and control how their health information is used. The Privacy Rule is to assure that individuals' health information is property protected. Retention of any medical information or history in case files and other grant documentation is a violation of HIPAA. In addition, this type of documentation is not an allowable list of source documentation, per TEGL 23-19, Change 1.

◆ Grant recipients should be encrypting their emails containing PII. Encryption provides an additional layer of security to emails containing PII and primarily helps mitigate a data breach.

◆ If grant staff members work remotely, staff must be provided with instructions and guidelines on how to protect PII while working remotely. If PII is electronically transmitted, it must be done through encrypted email or cloud services, with the appropriate protections to prevent inappropriate disclosure. If PII data is contained in hard copy format or on portable electronic media that cannot be encrypted (such as magnetic tapes), staff must

ensure that this information is safeguarded and secured in a locked compartment, such as a filing cabinet or desk drawer.

Questions for Review and Discussion:

1. What are the grant recipient's internal controls to safeguard protected PII and are they consistent with the requirements of the grant award?

2. What processes does the grant recipient have in place to determine what information the Federal agency or pass-through entity designates as sensitive or other information considered sensitive? Is this consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality?

3. How 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?

4. What is the grant recipient's system that encrypts PII during remote work and monitoring reviews? Does it provide adequate safeguards for PII?

Notes:

OBJECTIVE 2.G: RECORD 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.

Citations:

2 CFR 200.334, 2 CFR 200.336, and 2 CFR Part 2900

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 Part 2900 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.

◆ If a subrecipient, contractor, or ETP agreement is terminated, the grant recipient/ pass-through entity must take custody of any grant documents that were created/necessary while the other entity was operating.

◆ Grant recipients should have a Continuity of Operations Plan (COOP) to detail how the organization's mission-essential functions may be sustained for an undefined period of time despite disruptive conditions, such as natural disasters.

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. Does the grant recipient have a COOP? Under what conditions is the COOP to be implemented? Are staff aware of the policies and procedures that take place when the COOP is enacted?

3. What is the grant recipient's disaster plan to ensure that records are adequately safeguarded in a time of disaster? How are the backup files maintained?

4. If applicable, what are the PTE's procedures to retain its subrecipient's records as directed by ETA after the grant's period of performance?

5. What are the grant recipient's procedures 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 policies are aligned with the SOW, State Plan or PIP and are designed to ensure 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.

Citations:

2 CFR 200.430(a)(1)-(2), 2 CFR 200.463, and 2 CFR 200.464

Instructions:

- ❑ Review the personnel policy of the grant recipient organization including hiring procedures.
- ❑ Interview personnel or human resource staff.
- ❑ Review a listing of the grant recipient's job openings for the past 12 months.
- ❑ Review the grant staff employee handbook, or equivalent, to identify if grant staff are informed of prohibited actions that are outlined in any regulatory requirements.

Tips:

- ◆ Grant recipients and subrecipients are not prohibited from using Project Labor Agreements or similar forms of pre-hire collective bargaining agreements, nor are they prohibited from requiring commitments or goals to hire people residing in high-poverty areas, or disadvantaged communities as defined by the Justice40 Initiative.
- ◆ Contractors must appropriately classify employees consistent with the Fair Labor Standards Act, found in 29 U.S.C. chapter 8.
- ◆ In accordance with EO 13043, grant recipients and subrecipients are encouraged to adopt and enforce on-the-job seat belt policies and programs for their personnel when operating company-owned, rented, or personally owned vehicles.
- ◆ In accordance with EO 13513, grant recipients and subrecipients are encouraged to adopt and enforce policies that ban text messaging while driving company-owned or -rented vehicles or government-owned vehicles, or while driving privately-owned vehicles when on official Government business or when performing any work for or on behalf of the Government.

Questions for Review and Discussion:

1. Are the policies and practices reasonable for the services rendered? Do they conform to the established written policy of the recipient consistently applied to 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?

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

The grant recipient fills staff positions with responsible individuals.

Citations:

2 CFR 200.113, 2 CFR 200.427, and TEGL 2-12

Instructions:

❏ Review documentation such as organizational charts and position descriptions that list 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. If applicable, 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:

(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).

Citations:

Public Laws 109-149, 109-234, 111-117, 117-328, 2 CFR 200.331, 2 CFR 200.430(b), TEGL 10-24, and Grant Terms and Conditions

Instructions:

- ☐ Obtain a list of personnel charging time to the grant (full-time and partial time).

- ☐ Select a sample from the top positions within the organization (and the Board, if applicable), and review the compensation packages (including salary and bonuses) for each selection.

Tips:

- ◆ Pursuant to P.L. 117-328, Division H, Title I, Section 105, award recipients and subrecipients shall not use funds to pay the salary and bonuses of an individual, either as direct costs or as indirect costs, at a rate in excess of Executive Level II. The Executive Level II salary may change yearly and is located on the OPM.gov website. The salary and bonus limitation does not apply to contractors (vendors) providing goods and services as defined in 2 CFR 200.331. For further guidance, see TEGL 10-24.

- ◆ In compliance with Public Law No. 117-328 (Division H, Title I, Sec. 108), additional language was added to the "Maximum Hours Worked" section in the Fair Labor Standards Act of 1938. The additional language is related to occurrences of a major disaster (as declared or designed by the state of Federal government) and is applied for a period of two years afterward. Please review the Grant's Terms and Conditions for full text.

- ◆ States may have a lower limit for salaries and bonuses compared to those receiving salaries and bonuses from grant funds. This is because of 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.

- ◆ GM staff can find current rates here – Executive Level II salary rates.

- ◆ In addition, the Federal Funding Accountability and Transparency Act requires additional reporting of compensation packages on FSRS. In accordance with FSRS instructions, it collects data from the Federal prime awardees on subawards they make. A prime grant recipient 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.

- ◆ 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.

◆ When preparing a NICRA and Cost Allocation Plans (CAP) to recover indirect costs, recipients and subrecipients must disclose all salary and salary breakdowns for allocated direct and indirect costs to their Federal cognizant agency (FCA) or pass-through entity to verify that applicable indirect cost charges are in compliance with the limitations imposed by ETA and other guidance.

▶ Should an evaluation of the salary and bonus limitation reveal excessive compensation, recipients and subrecipients must make required adjustments to indirect cost proposals to help ensure that compliant NICRAs and/or CAPs are issued by the FCA or pass-through entity for the applicable fiscal year periods. Unallowed direct costs associated with excess compensation due to the salary and bonus limitation must remain as part of the indirect cost allocation base approved by the FCA or pass-through entity.

▶ To see examples of proposed salary breakdowns, see the Excel file incorporated as Exhibit B created by and posted on the Cost and Price Determination Division's (CPDD) website.

Questions for Review and Discussion:

1. How are bonuses, raises, leave practices, etc. covered in written personnel policies?

2. Does the grant recipient have internal controls and documentation, which provides reasonable assurance that salary charges, fringe benefit packages, and other leave benefits are accurate, allowable, and properly allocated?

3. Are all salaries and fringe benefits reasonable to the extent that they are comparable to those paid for similar work in the same labor market?

4. When a staff member is working on more than one project or grant, does the grant recipient properly allocate their salary among the funding sources? Is the cost allocation adequately documented?

   ▶ What does the allocation look like between full-time employees vs. part-time employees who work on more than one Federally funded project or grant?

5. Are fringe benefit packages and other leave benefits noted in Federal law, grant recipient-employee agreements, or an established policy of the grant recipient?

6. For competitive awards 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?

7. For competitive awards 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 amendment?

8. 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?

9. Did the grant recipient properly report highly compensated employees in the SAM.gov database? Did the grant recipient provide proof?

10. For any appropriated funds related to a major disaster, has the grant recipient considered the additional language added to the "Maximum Hours Worked" section in the Fair Labor Standards Act of 1938, as amended?

Notes:

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:

❑ Review documentation such as organizational charts and position descriptions that list positions, qualifications for the positions as delineated on job descriptions, and the qualifications of staff currently employed in each position.

❑ 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.

Questions for Review and Discussion:

1. Is the recipient's organizational chart up to date?

2. How does the organizational chart present a staffing structure that provides capacity for the key functions?

3. If applicable, what are the gaps evident in the grant recipient's management and staffing structure?

4. How do the job descriptions delineate responsibilities, duties, and required experience, skills, and qualifications that clearly describe the expectations and requirements of the positions to provide grant recipient organization capacity in these key functional areas?

5. 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.J: CIVIL RIGHTS, COMPLAINTS, GRIEVANCES, & INCIDENT REPORTING

The grant recipient has a system in place to ensure that Federal Civil Rights complaints, program complaints, grievances, and incidents are handled properly and in accordance with Federal requirements.

(C) Indicator 2.j.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.

Citations:

Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, Age Discrimination Act of 1975, The Americans with Disabilities Act of 1990, ADA Amendments Act of 2008, WIOA sec. 188, 2 CFR 200.113, 200.217, 2 CFR 200.300, 29 CFR Part 31, 29 CFR Part 32, 29 CFR Part 35, 29 CFR Part 36, 29 CFR Part 37, 29 CFR Part 38, 49 CFR Part 25, TEGL 5-23, and TEGL 15-23

Instructions:

This indicator is concerned with three types of allegations:

- ❑ Discrimination
- ❑ Program-related complaints and grievances
- ❑ Fraud or other forms of misconduct

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

- ❑ Interview the grant recipient's Equal Opportunity (EO) officer and/or staff assigned responsibility for ensuring the organization's compliance with the following requirements (identified above) regarding discrimination. The rule states that discrimination on the basis of transgender status, gender identity, or sexual orientation are forms of sex discrimination, in accord with similar developments under other civil rights laws.

- ❑ Interview the grant recipient's EO officer and/or staff assigned responsibility for ensuring the organization's compliance with the following program-related complaints and grievances requirements:

  - ▸ WIOA sec. 181
  - ▸ 20 CFR 683.600 and 683.610
  - ▸ 20 CFR Part 658 for Wagner Peyser

- ❑ 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: 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.

- ❑ Use Attachment I in TEGL 5-23 to determine compliance regarding individual protections from discrimination.

- ❑ Use TEGL 5-23 to determine compliance on individual protections from discrimination.

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 at 29 CFR Part 38. The Final Rule may be found at DOL's Civil Rights Center homepage. 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.

◆ 2 CFR 200.300 states prohibits discrimination based on sex, the Federal agency or pass-through entity must ensure that the award is administered in a way that does not unlawfully discriminate based on sexual orientation or gender identity if the statute's prohibition on sex discrimination encompasses discrimination based on sexual orientation and gender identity consistent with the Supreme Court's reasoning in Bostock v. Clayton County, 140 S. Ct. 1731 (2020).

◆ 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 in 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 grant recipients as specified in TEGL 15-23 and all title I WIOA grant recipients at 20 CFR 683.620.

◆ Whistle blower protections are granted in the Uniform Guidance at 2 CFR 200.217. An employee of a recipient or subrecipient may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee reasonably believes is evidence of:

  ▸ Gross mismanagement of a Federal contract or grant
  ▸ A gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant
  ▸ A substantial and specific danger to public health or safety
  ▸ A violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant

◆ The grant recipient shall inform its employees and applicable contractors and subrecipients, in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712. The grant recipient shall insert the substance of this clause in all subawards and contracts over the SAT.

◆ For promising practices in achieving nondiscrimination and equal opportunity, use DOL's section 188 Reference Guide.

Questions for Review and Discussion:

1. What is contained in the grant recipient's written discrimination complaint procedures? Are services provided at the grant recipient's office(s) accessible to eligible individuals?

2. What policies and procedures are in place ensure programmatic and physical accessibility, per WIOA section 188?

3. Does the grant recipient use wording required by 29 CFR 38.34 in publications, materials, and brochures? For example, 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."

4. What is the grant recipient's system for periodically monitoring its compliance with the EO law?

5. Does the grant recipient prominently post an "EO Is the Law" notice with wording mirroring 29 CFR 38.35?

6. Does the grant recipient have any previously submitted cases awaiting a 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.

7. Did the grant recipient inform its employees and applicable contractors and subrecipients, in writing, using the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C 4712? Does the grant recipient have whistleblower contact information on alleged violations of actions that are considered trafficking of persons? These actions include:

   ▶ Engaging in severe forms of trafficking in persons during the period of time that the grant award is in effect
   ▶ Procuring a commercial sex act during the period of time that the award is in effect
   ▶ Using forced labor in the performance of the award or subawards under the award

Notes:

OBJECTIVE 2.J: CIVIL RIGHTS, COMLAINTS, GRIEVANCES, & INCIDENT REPORTING

(C/E) Indicator 2.j.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.

Citations:

Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, Age Discrimination Act of 1975, The Americans with Disabilities Act of 1990, ADA Amendments Act of 2008, WIOA sec. 188, 2 CFR 200.300, 29 CFR Part 31, 29 CFR Part 32, 29 CFR Part 35, 29 CFR Part 36, 29 CFR Part 37, 29 CFR Part 38, 49 CFR Part 25, and TEGL 5-23

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.
- ☐ Look at case files, employee handbook, and other widely distributed documents to ensure notices are posted.
- ☐ Review with the grant recipient that service providers and subrecipients have the same notice documentation displayed in their facilities.

Questions for Review and Discussion:

1. What are the grant recipient's written policies and procedures that distinguish between different types of complaints, which system they fall into, and how to handle them?

2. 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?

3. Do employment notices, participant recruitment flyers, or other written materials published by the grant recipient contain a statement providing the required written "Equal Opportunity is the Law Notice"?

4. Does the "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?

5. 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)?

6. Does the grant recipient have the "Employee Rights Under the Fair Labor Standards Act" and the "Employee Rights and Responsibilities Under the Family Medical Leave Act", as required by law?

   ▸ For other posters that might be applicable, check out DOL's workplace posters here: https://www.dol.gov/general/topics/posters

Notes:

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

(C) Indicator 2.j.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, individuals who are pregnant, have had a child, or have related medical conditions, and individuals that may face discrimination based on sexual orientation or gender identity.

Citations:

Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, Age Discrimination Act of 1975, The Americans with Disabilities Act of 1990, ADA Amendments Act of 2008, WIOA sec. 188, 2 CFR 200.300, 29 CFR Part 31, 29 CFR Part 32, 29 CFR Part 35, 29 CFR Part 36, 29 CFR Part 37, 29 CFR Part 38, 49 CFR Part 25, and TEGL 5-23

Instructions:

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

Tips:

- ◆ Facilities for workforce programs are required to adhere to 29 CFR Part 38 and must ensure and enhance access to the system, in particular for people with disabilities, individuals with limited English proficiency, individuals who are pregnant, have had a child, or have related medical conditions, and individuals that may face discrimination based on sexual orientation or gender identity.

- ◆ For additional information, please refer to the DOL-ODEP webpage.

Questions for Review and Discussion:

1. Is the location and facility in compliance with the Americans with Disabilities Act (ADA)?

2. How does the location and facility meet physical and limited English proficiency access requirements?

3. How does the location and facility provide accommodations for participants and other beneficiaries of the workforce system?

4. Does the grant recipient's facilities meet the required accessibility obligations under Section 504 of the Rehabilitation Act and the implementing requirements at 29 CFR part 32?

5. Are services provided at the grant recipient's office(s) accessible to all eligible individuals, including the handicapped?

6. One-Stop partners in a local One-Stop delivery system must share in the costs of assistive technology for participants and beneficiaries of the workforce system. Are such costs being shared by the grant recipient? What assistive technology tools and instruments are available for individuals with disabilities?

   ▶ Are these tools and instruments in good working condition?

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

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

Grant recipients must establish and maintain a procedure for participants and other interested parties to file grievances, complaints, and appeals.

Citations:

WIOA sec. 188, 2 CFR 200.342, 2 CFR Part 2900, 20 CFR Part 658, 20 CFR 683.600-683.650, 20 CFR 683.700, and Grant Terms and Conditions

Instructions:

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

Tips:

- ◆ As with the other complaint resolution processes, direct recipients must meet the same timeframes to provide the opportunity for informal resolution and hearing to be completed within 60 days from the date of filing.
- ◆ Anyone who believes that discriminatory actions have taken place in a covered program or activity may file a complaint with the Civil Rights Center (CRC), recipient-level EO officer, or state-level EO officer. Every recipient must designate a recipient-level EO officer, and every Governor must designate a state-level EO officer. For more information about filing a complaint, please visit www.dol.gov/oasam/programs/crc/external-enforc-complaints.htm. For assistance and additional resources, please visit CRC's homepage at www.dol.gov/oasam/programs/crc/.

Questions for Review and Discussion:

1. Does the grant recipient have a written policy and procedures for grievances or complaints alleging violations of the WIOA? If the grant recipient has a state-wide EO office, obtain a written grievance or compliant procedure form that office.

2. How does the policy address the following?

   ▶ Informing participants and other interested parties of the process and their acknowledgment 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, the conclusion drawn, and the 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. What is the grant recipient's process to provide information on these procedures to participants and other interested or affected parties, including One-Stop partners and service providers?

4. How does the grant recipient ensure that the information is understood by affected individuals including youth and those whose spoken English is limited?

5. Is the grant recipient's review of recent complaints and/or grievances resolved in a timely manner and consistent with policy and/or state policy?

6. What is the grant recipient's written non-discrimination complaint procedure? Is the policy in compliance with applicable Federal laws and regulations?

7. Does the policy and procedures provide for an opportunity for informal resolution and hearing to be completed within 60 days of the date of filing? Did the grant recipient adhere to the 120-day deadline for appeals?

Notes:

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

(C) Indicator 2.j.5: Incident Reporting and Whistleblower Protection

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

Citations:

2 CFR 200.113, 2 CFR 200.217, 2 CFR 200.300, 2 CFR 200.334, 20 CFR 683.620, TEGL 15-23, and Grant Terms and Conditions

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Instructions:

❑ Review the incident reporting policy.

Tips:

◆ The Uniform Guidance establishes a mandatory requirement for applicants, grant recipients, and subrecipients to disclose, in writing, to the Federal awarding agency or PTE when credible evidence of 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
▶ Violation of the Drug-Free Workplace Act
▶ Other criminal activities

◆ TEN 08-23 lays out the required employment service and employment-related law complaint system posters.

◆ An employee of a recipient or subrecipient may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant.

◆ 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 suspicions of such wrongdoing. It is the grant recipient's responsibility to report these events, not determine whether they are true.

◆ When the threat is immediately imminent or involves a substantial amount of funds, grant recipients 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.

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?

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

3. Is the grant recipient aware of the statutory and national policy requirements found at 2 CFR 200.300 and the whistleblower protections defined in 41 U.S.C. 4712, which protects employees of recipients or subrecipients of being discharged, demoted, or otherwise discriminated against for disclosing information that the employee reasonably believes is evidence of gross mismanagement of Federal fund?

Notes:

✓ OBJECTIVE 2.J: CIVIL RIGHTS, COMPLAINTS, GRIEVANCES, & INCIDENT REPORTS

(C) Indicator 2.j.6: Appeals and Sanctions

PTE and their subrecipient(s) have a formal procedure in place for a timely appeals process. In addition, the grant recipient or PTE has a process in place to determine if any sanctions are necessary if a subrecipient has substantial violations or performance failures.

Citations:

WIOA sec. 184, 2 CFR 200.215, 2 CFR 200.216, 2 CFR 200.342, 2 CFR Part 2900, 20 CFR 677.225, 20 CFR 679.250, 20 CFR 683.410(b)(5), 20 CFR 683.630-683.650, 20 CFR 683.700-683.750, 20 CFR 683.800-850, TEGL 11-19, Change 1, and Grant Terms and Conditions

Instructions:

- ❑ Review the grant recipient's procurement policy and ensure there are procedures in place to prevent debarred or suspended entities (subrecipients and contractors) from receiving Federal funds.

- ❑ Review the PTE's monitoring policy to ensure that if there are substantial violations and/or significant performance failures by subrecipients, there are appropriate corrective actions that may potentially lead to sanctions.

- ❑ Refer to the PTE's appeals process on sanctions imposed on subrecipients due to failure to take required corrective action.

- ❑ Ensure that the grant recipient has processes in place for the following areas:

  - ▸ Training service provider appeals
  - ▸ Participant complaints, grievances, and appeals
  - ▸ Final Determinations regarding DOL's Cooperative Audit Resolution
  - ▸ If applicable, subrecipients appeals for PTE's monitoring findings
  - ▸ State Funding Mechanism (contained in MOU/ IFA and the State Plan)
  - ▸ Local area designation (contained in the State Plan) and the process for local areas to appeal a non-designation
  - ▸ Sanction on local areas for substantial violations or performance failures and the process for local areas to appeal sanctions placed by the state

- ❑ Review any recent appeals received from the grant recipient.

- ❑ Review if the grant recipient has any appeals to the Office of Administrative Law Judges (ALJs) or to an acceptable individual against DOL.

- ❑ Review Tool M: General Appeals Process for assessing the grant recipient in the appeals process.

Tips:

- ◆ All recipients of a Federal award are required to report certain civil, criminal, or administrative proceedings on SAM.gov. Failure to make required disclosures will result in one or more of the remedies described in 2 CFR

[200.339](#), including suspension or debarment. [2 CFR 200.342](#) outlines an entity's right to object, make an appeal, and have a hearing.

◆ [SAM.gov](#) and FAPIIS now include entities that are considered "enemies" to meet the statutory requirements in [Public Law 113-291](#) and [2 CFR Part 183](#)'s "Never Contract with the Enemy" requirements.

◆ Should the recipient be found to have contracted with the enemy, DOL-ETA will notify the recipient in writing regarding its decision to restrict all future awards, terminate or void the grant or cooperative agreement, or do both. The recipient must be notified of their right to request an administrative review of the restriction, termination, or voidance of the grant or cooperative agreement. The recipient must request the administrative review within 30 days of receiving the written notification.

Questions for Review and Discussion:

1. How does the grant recipient review and prevent any debarred or suspended entities from receiving Federal funds?

2. Refer to [Indicator 2.f.4: Subrecipient Monitoring](#). What is the PTE's process if there are substantial violations and/or performance failures by a subrecipient? Are sanctions an option to suspend or terminate future Federal funding of that entity?

3. What is the PTE's process to report any subrecipients from receiving future Federal funds? And how is it reported to DOL-ETA?

4. Do the subrecipients of a PTE have a process to appeal monitoring findings?

5. How did the PTE ensure that its subrecipients are following the corrective action plan as directed and approved in the monitoring or audit finding?

6. Does the grant recipient have an appeal (either current or the decision was just issued) with ALJs? If so, what is the grant recipient's appeal against DOL, and if a decision was rendered, what was the decision?

Notes:

OJECTIVE 2.J: CIVIL RIGHTS, COMPLAINTS, GRIEVACES & INCIDENT REPORTING

(C) Indicator 2.j.7: Health and Safety Conditions

The grant recipient takes certain actions and provides information regarding measures to support the health and safety of participants.

Citations:

WIOA sec. 181(b)(4) and 29 CFR 1910

Instructions:

- ☐ Review the health and safety standards established under Federal and state laws.
- ☐ Review the grant recipient's policies and procedures on health and safety for the following:
  - ▸ Promoting a safe workplace for staff and participants
  - ▸ Coordination with Federal, state, and local healthcare professionals
  - ▸ Promoting guidance from the Occupational Safety and Health Administration (OSHA), Center for Disease Control and Prevention (CDC), and any other health and safety organizations

Tips:

- ◆ Grant recipients must ensure that participants follow the same health and safety standards established under Federal and state law applicable to the working conditions of permanent employees. To the extent that state workers' compensation law applies, workers' compensation shall be provided to participants on the same basis as individuals in similar employment, as required by WIOA Section 181(b)(4).

- ◆ In cases in which a participant is not covered under a state workers' compensation law, the participant must be provided with adequate on-site medical and accident insurance for work-related activities. The grant recipient must also ensure that participants receive appropriate safety training in accordance with the OSHA Act of 1970 and ensure safe working conditions. For more information, contact the OSHA field office. A listing of OSHA field offices is available at osha.gov/RAmap.

- ◆ The Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers in the private sector and in Federal, state, and local governments.
  - ▸ FLSA applies to all service providers, including employers involved in work-based training, such as OJTs and work experience activities.
  - ▸ In addition, service providers must follow local, state, and Federal labor laws, including all child labor protections.

Questions for Review and Discussion:

1. What are the grant recipient's policies and procedures on health and safety for participants?

2. What is the grant recipient's worksite safety policy? Are subrecipients, service providers, and contractors aware of and in compliance with OSHA safety and work condition standards?

3. How does the grant recipient partner with health and safety organizations such as OSHA to ensure safe working conditions for staff and participants?

4. For national health emergencies such as COVID-19, what are grant recipient and subrecipient's (including service providers) policies and procedures to immediately institute safety protocols to protect their staff, participants, and customers?

5. Are policies in place to directly address the appropriate handling of medical and disability information that may be received as part of this grant?

6. How does the grant recipient ensure that the Fair Labor Standards Act (FLSA) are being met, including any child protection laws? If there were past grievances around this issue, how is the grant recipient working to resolve them?

Notes:

CORE ACTIVITY 3 FINANCIAL MANAGEMENT

Core activity 3 evaluates the systems, policies, procedures, and internal controls to effectively manage the grant or program in a manner that promotes accountability and transparency

Core Activity 3 consists of eight objectives. Tools and resources which help attest to compliance and effectiveness can be found within the "Instructions" section for each indicator.

Objective 3.a: Internal Controls: The grant recipient has an internal control system or processes in place that provide reasonable assurance that the program or project is operating in an effective and efficient manner that allows for reliable reporting and compliance with applicable laws and regulations.

> Indicator 3.a.1: Effectiveness and Efficiency of Operations
> Indicator 3.a.2: Reliable Reporting
> Indicator 3.a.3: Compliance with Applicable Laws and Regulations
> Indicator 3.a.4: Safeguard of Assets
> Indicator 3.a.5: Conflicts of Interest
> Indicator 3.a.6: Continuity of Operations

Objective 3.b: Accounting System and 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.

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

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

Objective 3.d: Cost-Sharing 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.

> Indicator 3.d.1: Cost-Sharing (Match) and Leveraged Resources Policies and Procedures
> Indicator 3.d.2: Cost-Sharing (Match) Expenditures
> Indicator 3.d.3: Valuation and Documentation of Cost-Sharing (Match)
> Indicator 3.d.4: Valuation and Documentation of Leveraged Resources

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, and the terms and conditions of the grant award.

> Indicator 3.e.1: Program Income Policies and Procedures

Objective 3.f: Allowable Costs and Cost Classification: The grant recipient has a system and procedures in place to ensure that it is only charging 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 Cost: 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 any subrecipients.

OBJECTIVE 3.A: INTERNAL CONTROLS

The grant recipient has an internal control system or processes in place that provides reasonable assurances that the program or project is operating in an effective and efficient manner that allows for reliable reporting and compliance with applicable law and regulations.

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

The grant recipient has adequate processes and internal controls in place to operate the grant or program effectively and efficiently.

Citations:

2 CFR 200.100, 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 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 includes 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 the frequency of exceptions to policies and/or processes that impact internal controls.

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

❑ Use Tool B: Documents, Policies, and Procedures for Request and Review to assist in completing the indicator.

Tips:

◆ Grant recipients and subrecipients are responsible for the efficient and effective administration of an award through the use of sound management practices; and for 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. A few reasons why internal controls cannot provide absolute

assurance that objectives will be achieved are cost/benefit realities, collusion among employees, and external events beyond an organization's control.

◆ The Uniform Guidance increased the emphasis on internal controls. Effective grant management includes:

  ▶ Separation of duties
  ▶ Written policies and procedures
  ▶ Training
  ▶ Internal controls
  ▶ Effective oversight
  ▶ Effective communication and information sharing

◆ Separation of duties includes activities that reduce the risk of error and fraud by requiring that more than one person is involved in completing a particular process. It is a critical internal control because it reduces the opportunity for an employee to commit and conceal errors, intentionally or unintentionally, or perpetrate fraud as not one individual has complete control over a multiple-step process or transaction. At a minimum, the following duties or responsibilities should be separated, and there should be at least two sets of eyes on each transaction:

  ▶ Custody – a separate person that initiates a transaction
  ▶ Authorization – a person who authorizes or approves the transaction
  ▶ Record-keeping – a person records a transaction in the official records
  ▶ Reconciliation – a person reconciles the transaction.

◆ 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 controls.**

◆ Sometimes, a grant recipient's primary internal control process fails. A compensating control is an alternative control that if the primary control fails, there are other controls in place to mitigate any risk.

◆ 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 business practices are found in Tool B: Documents, Policies, and Procedures for Review and Request.

Questions for Review and Discussion:

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

2. How does the grant recipient's internal controls 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? Some of the policy and procedure requirements documented in the Uniform Guidance are:

- ▸ Payments – [2 CFR 200.302(b)(6)](#) and [2 CFR 200.305](#)
- ▸ Allowable Costs – [2 CFR 200.302(b)(7)](#)
- ▸ General Procurement Standards – [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](#)
- ▸ Relocation Costs of Employees – [2 CFR 200.464](#)
- ▸ Travel Costs – [2 CFR 200.474](#)

4. How do the grant recipient's policies and procedures properly segregate duties? Are the duties for the following tasks segregated?

   - ▸ Record-keeping
   - ▸ Custody
   - ▸ Authorization
   - ▸ Reconciliation

5. If not, what are the grant recipient's compensating controls to mitigate the internal control risk? If duties are not properly segregated, what are the grant recipient's compensating controls to mitigate the internal control risk?

6. How does the grant recipient train grant staff and subrecipients (if applicable), on policies and procedures? Is there a monitoring program in place for grant operations and subrecipients (if applicable)?

7. How are policies and procedures communicated to all levels of staff and subrecipients (if applicable)?

8. How do management and the Board, where applicable, demonstrate a commitment to integrity and ethical values (e.g., annual ethics training, employee handbook, organization mission statement)?

9. 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?

10. How does management establish an organizational structure, assign responsibility, and delegate authority appropriately to achieve the grant's objectives?

11. How does management or human resources demonstrate a commitment to hire, develop, and retain ethical, knowledgeable, and responsible employees?

12. Are conflicts of interest and financial disclosure forms completed by appropriate personnel and updated frequently?

Notes:

(C) Indicator 3.a.2: Reliable Reporting

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

Citation:

2 CFR 200.100

Instructions:

☐ Interview select personnel to understand how data is recorded and reported as well as what checks and balances are in place to ensure accurate recording and reporting.

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.

◆ Internal controls over financial reporting require the grant recipient to maintain books, records, and accounts that, in reasonable detail, accurately and fairly reflect the organization's transactions. These transactions are recorded as necessary to (a) permit the preparation of financial statements in conformity with GAAP, and (b) maintain accountability for assets.

◆ For the actual testing of financial reports or performance reports, please refer to Indicator 3.b.2 Financial Reporting and Indicator 3.b.4 Performance Reports.

Questions for Review and Discussion:

1. How is access to the financial and performance reporting system limited to appropriate personnel?

2. Are passwords and access to systems reviewed on a timely basis?

3. How does the grant recipient segregate duties between the individual(s) that complete the financial report and the supervisor(s) that review the data entered (e.g., separate PINs and passwords)?

4. How does the grant recipient ensure that all transactions are 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:

- Assistance Listings
- Federal award identification number and year
- Name of Federal agency
- Name of PTE (If any)
- Financial Statements for a Annual Comprehensive Financial Report (ACFR) or Single Audit

Notes:

✓ OBJECTIVE 3.A: INTERNAL CONTROLS

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

The grant recipient has processes in place to ensure compliance with applicable laws and regulations governing that grant/project and when noncompliance is discovered it is properly evaluated and resolved.

Citations:

2 CFR 200.100 and 2 CFR 200.303(a)-(c)

Instructions:

- ❑ Interview staff on how they train and adhere to applicable laws and regulations governing a grant or project. Additionally, ask how staff have handled or would handle situations of noncompliance.
- ❑ Review the grant recipient's policies and procedures.

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 are often broader statements covering a specific goal such as avoiding conflicts of interest or ensuring equal access to individuals with disabilities. Procedures are the specific instructions to follow to achieve that goal of no conflicts of interest or equal access to individuals with disabilities. Policies and procedures should be written at an appropriate level of detail.

- ◆ 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 have 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. How does the grant recipient ensure that their policies and procedures reflect changes and updates contained in the Uniform Guidance, EEO, WIOA, and other applicable regulations? Examine a selected number of policies to confirm.

2. What training is provided to staff to ensure compliance with applicable regulations and laws?

3. What actions or steps does the grant recipient take to ensure instances of noncompliance with applicable laws and regulations are handled properly?

4. How does the grant recipient evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of Federal awards?

5. How does the grant recipient take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings, and actions related to a subrecipient?

✓ OBJECTIVE 3.A: INTERNAL CONTROLS

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

The grant recipient has adequate safeguards for all grant purchased property and ensures that it is used solely for authorized purposes. Mechanisms are in place to prevent unauthorized purchases and disbursements of grant funds. Assets are safeguarded so that one single person is not in control or responsible for the approval, purchase receipt, management, reconciliations, 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.
- ❑ Use Tool N: Separation of Duties Worksheet to assist in completing this indicator.

Tips:

- ◆ A grant recipient must have internal controls in place to ensure safeguards for preventing property loss, damage, or theft. Any loss, damage, or theft of equipment must be investigated. The recipient or subrecipient must notify the Federal agency or pass-through entity of any loss, damage, or theft of equipment that will have an impact on the program.

- ◆ Safeguards can include mechanisms 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 policies and procedures to manage the risks 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 are easily transferable. This list is not all-inclusive. GM staff should discuss with the grant recipient what other cash equivalent assets may be held at their location.

Questions for Review and Discussion:

1. What are the grant recipient's mechanisms to prevent unauthorized purchases and disbursement?

2. How does the grant recipient ensure proper segregation of duties surrounding the asset management process? Verify that no single 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?

   ▶ If the safeguarding mechanism fail, what policies or procedures are in place for the grant recipient to report the loss, damage, or theft of equipment?

4. How does the grant recipient perform an inventory of cash-equivalent 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:

(C) Indicator 3.a.5: Conflicts of Interest

The grant recipient has adequate policies and procedures to address various conflicts of interest for any Board, procurement, or oversight actions.

Citations:

WIOA secs. 101(g), 107(c), 2 CFR 200.112, 2 CFR 200.318, 2 CFR 200.319, 20 CFR 678.600-678.635, 20 CFR 679.390, 20 CFR 679.410, 20 CFR 679.430, 20 CFR 683.200(c)(5) and (g), 20 CFR 683.220, TEGL 15-16, TEGL 21-16, TEGL 9-22, and Grant Terms and Conditions

Instructions:

❑ Review the following documents, if applicable:

▶ Policies on sunshine provisions, conflict of interest, and code of conduct
▶ Board meeting minutes for applicable timeframes
▶ Board members' conflict of interest statements
▶ Board members' financial interest or disclosure forms (and if applicable, immediate family members of Board members)

❑ Interview select Board members and staff of the Board.

Tips:

◆ A conflict of interest occurs when an entity or individual becomes unreliable because there is a conflict between personal (or self-serving) interests and professional duties or responsibilities. Such a conflict occurs when an organization or individual (with decision-making ability) has a vested interest, such as financial, status, knowledge, relationships, or reputation, which puts into question whether their actions, judgment, and/or decision-making can be unbiased.

◆ A major part of hiring ethical staff is to mitigate and avoid potential conflicts of interest. Please refer to Indicator 1.b.1 Personnel, Staff, and Hiring for more information on hiring staff.

◆ WIOA requires internal controls on entities involved in the local delivery system including:

▶ LWDB Committees
▶ Staff to the LWDB
▶ Fiscal Agent
▶ Administrative Entity
▶ One-Stop Operator
▶ Service Providers
  Please note that some of these entities can act in more than one role. Please see Indicator 1.b.1: Personnel, Staff, and Hiring for more information.

◆ Types of conflict of interests:

▶ **Real** – A real or actual conflict of interest arises when an employee or person is assigned official responsibilities in a particular matter that will directly and predictably affect the employee's personal financial interests or the interests of other specific persons. It is a situation in which a covered employee has

a financial interest, personal activity, or relationship that could impair the employee's ability to act impartially and in the best interest of the entity.

- ▶ **Apparent** – Apparent conflicts of interest occur when an employee or Board member takes actions that create the appearance that they are: 1) using their official position for private gain; 2) giving special treatment to any persons; 3) losing complete independence or objectivity; 4) making an official decision outside official channels; or 5) affecting, in a negative way, the public's confidence in the integrity of the government or the program.

- ▶ **Organizational or Financial** – Organizational conflicts of interest happen when an entity, because of a relationship with a parent company; affiliate; or subsidiary organization, is then unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. Financial interest may include current or contingent ownership, equity, partnership, or security interest in real, personal property, or business.

- ▶ **Oversight/Monitoring Conflicts**: During the implementation of any contract or agreement, an entity must conduct oversight and monitoring of another entity providing a service, however, their association or relationship is in conflict. For example, where the LWDB is the one-stop operator, a conflict arises since the staff to the Board works for the LWDB and the professional judgment of the staff is questionable. At the very least, the appearance of the staff reviewing the LWDB would lead an outsider to conclude that the staff is unable to render an impartial/unbiased review of the one-stop operator's performance because of the staff's inherent relationship to the LWDB.

- ▶ **Procurement Conflicts**: Conflict of interests during the procurement process can also include any entity being part of the drafting of the solicitation, SOW, Invitation for Bids (IFBs), or Request for Proposals (RFPs), and compete under that procurement.

- ▶ **Covered Relationship**: Employees must consider whether their impartiality would be questioned whenever their involvement in a "particular matter involving specific parties" might affect certain personal or business relationships. If a particular matter involving specific parties is likely to have a direct and predictable effect on the financial interests of a member of the employee's household, or if a person with whom the employee has a **covered relationship** with, the employee must consider whether the circumstances would cause a reasonable person to question the employee's impartiality in the matter. A conflict includes any action, or transaction both financial and non-financial, that could result in benefit to the employees' (or a party that the employee has a covered relationship with) financial and non-financial well-being.

  A covered relationship includes members of their households and relatives with whom they are deemed to have close personal relationships and may include the following:

  - ▪ Persons or organizations with whom they have or seek a business, contractual, or other financial relationship other than a routine consumer transaction

  - ▪ Persons or organizations for whom their spouses, parents, or dependent children are, to their knowledge, serving or seeking to serve as an officer, director, trustee, general partner, agent, attorney, consultant, contractor, or employee

  - ▪ Persons or organizations for whom they have, within the last year, served as an officer, director, trustee, general partner, agency, attorney, consultant, contractor, or employee

  - ▪ An organization in which they are an active participant (e.g., serves as a committee chair, spokesperson, promotes the organization, coordinates fund-raising events)

- ◆ Proper firewalls must be in place to ensure the integrity of the any internal process (i.e., procurement, monitoring, etc.) and demonstrate to the public that the decision-making action was impartial.

- ▶ Key areas that require firewalls:
  - ▪ Procurement functions
  - ▪ Financial system functions and responsibilities
  - ▪ Oversight functions
  - ▪ Governance roles and function
- ▶ Types of Firewalls:
  - ▪ Public Disclosure
  - ▪ Recusal of Board Members
  - ▪ Using an Outside Entity

Questions for Review and Discussion:

1. What is the Board, staff to the Board, central procuring body, etc. written code/standards of conduct to address conflict of interest for their members and staff? Does their conflict of interest policy and procedures include, at least, the following:

   - ▶ A definition of conflicts of interest
   - ▶ A definition of immediate family members and a covered relationship
   - ▶ Code of ethics
   - ▶ Description of the firewall process to mitigate conflicts of interest
   - ▶ Description of its voting process
   - ▶ Requirement to report financial interests of voting members, immediate family members, and/or organization that employs the voting members
   - ▶ Mandatory disclosure by voting members of any real or apparent conflicts of interest (financial and non-financial)
   - ▶ A process for voting members to recuse themselves when they disclose any real or apparent conflict of interest
   - ▶ Alternative procedures to reach a quorum if recusal of voting members does not lead to a quorum

2. If an entity is performing multiple roles, what are the firewalls in place to prevent conflicts of interest? Was proper prior approval obtained prior to the selection of this entity?

3. What were some of the Board's follow-up actions (i.e., firewalls) to alleviate any conflict? Were any of these measures evident in the Board's meeting minutes? Did they employ any of the following measures (this list is not all-inclusive):

   - ▶ Separation of duties among staff functions, duties, responsibilities, etc.
   - ▶ Responsibilities for multiple roles were communicated and written in a formal agreement or contract
   - ▶ Physical and electronic access to information is restricted
   - ▶ Public disclosure of any real or apparent conflict of interests
   - ▶ Recusal from voting members with a conflict of interest
   - ▶ Complete independence over supervision or control of staff/entity providing a service, etc.
   - ▶ For the procurement process, complete confidentiality over information regarding documentation to avoid unfair advantages or collusive bidding
   - ▶ An independent alternate entity was selected to perform the process
   - ▶ The independent, alternative entity completed a conflict of interest statement

4. Was the selection and certification of the one-stop operator made available to the public regularly through electronic means and open meetings (sunshine provision)?

5. Was the following procurement documentation made available for public comment (this list is not all-inclusive) for the one-stop operator competition:

   ▸ Conflict of interest policy
   ▸ Written procurement policy
   ▸ Procurement solicitation
   ▸ Listing of bidders/offerors that submitted a proposal
   ▸ Abstract of the proposal
   ▸ Identity of the entity selected
   ▸ Total award amount
   ▸ Duration of the contract

6. Reviewing the grant recipient's monitoring policies and process and monitoring schedule, are there any situations where the monitors are not independent from those that they are monitoring (i.e., staff to the Board is monitoring the Board, etc.)? What firewalls are in place to alleviate this conflict?

7. Are conflicts of interest and financial disclosure forms completed by appropriate personnel and updated on a frequent basis?

Notes:

✓ OBJECTIVE 3.A: INTERNAL CONTROLS

(E) Indicator 3.a.6: Continuity of Operations

The grant recipient has disaster planning policies and procedures in place to continue operations during and after a disaster.

Instructions:

❑ Interview leadership, such as Board members, executives, and senior management on the internal control structure in place.

❑ Review disaster planning policies and procedures so that the entity can continue operations during a disaster, including a pandemic, and return to business after the disaster.

Tips:

◆ Grant recipients should have a continuity of operations plan (COOP) to ensure that their operations are performing efficiently with minimal disruption during an emergency. The plan should contain policies and procedures to ensure that an organization can continue its essential missions and functions under all conditions. Continuity of operations plan should consider the following (this list is not all-inclusive):

- ▶ Key personnel
- ▶ Essential functions
- ▶ Operational capability if facilities are shut down
- ▶ Applicable changes to existing policies and procedures that still enable supervisors to record, obtain custody, authorize, and reconcile documents for key processes
- ▶ Proper security of PII if data is transferred or transmitted off-site

◆ In addition, the grant recipient should have policies and procedures in place to return to business after the disaster and there should be proper precautions in place to ensure the safety of grant staff and participants.

Questions for Review and Discussion:

1. What is the grant recipient's disaster preparedness, continuity of operations, and return to work policies and procedures? How are these plans developed?

2. What disasters were considered when these plans were developed? Does the grant recipient account for common disasters in their state/region and develop plans for these common disasters?

3. How were key personnel (from program, administrative, and fiscal areas) involved in the creation of the disaster plan?

4. What grant operations were deemed essential to continue operating under a disaster? How were these determined to ensure that grant performance outcomes are still being achieved?

5. Are there proper resources in place to continue grant operations under a disaster? Are there resources available for grant staff to work at home or away from the normal office location?

6. What is the grant recipient's communication plan to alert grant staff, grant participants, service providers, and other grant related stakeholders of a disaster and how grant operations/services are to continue under a disaster?

7. What safeguards are in place to protect the following:
   ▶ Grant staff
   ▶ Participants
   ▶ Service Providers
   ▶ PII and other grant-related documents
   ▶ Program and fiscal information systems to ensure continued service to participants/employers and reporting to DOL-ETA
   ▶ Assets purchased using grant funds
   ▶ Locations (Grant / Office):

     ▪ Where grant services were provided (if provided at an alternative location)
     ▪ Where grants operations were conducted prior to the disaster (if provided at an alternative location)

8. What are the grant recipient's policies and procedures to return to operations once the disaster has ceased? What safeguards are in place to ensure the safety of grant staff and participants upon returning to operations?

Notes:

OBJECTIVE 3.B: ACCOUNTING SYSTEM AND 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 any 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 Part 2900

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, walk through the grant recipient's 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.

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 Part 2900. Grant recipients are not required to maintain their accounting systems on an accrual basis; but it 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.

- ◆ Cash advances to subrecipients prior to a service being provided are neither an obligation nor an accrued expenditure.

Questions for Review and Discussion:

1. What is the grant recipient's policy to ensure accounts are reported to the DOL on an accrual basis?

2. Does the grant recipient maintain their books of accounts on a cash or accrual basis? If on a cash basis, what is the 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, what is the 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 the financial results of grant activities and those of its subrecipients.

Citations:

2 CFR 200.302, 2 CFR 200.328, 2 CFR 200.415(a), 2 CFR Part 2900, and TEGL 16-22

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 applicable quarterly ETA-9130 Financial Report and walk through the report with personnel responsible for completing the form.

Tips:

◆ Other Federal agencies require the SF-425. ETA requires the submission of the ETA-9130 as a substitute for the SF-425.

◆ 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	Description
ETA-9130	Basic
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

◆ Outlying areas who have requested and been approved to use a consolidated grant application for WIOA funding should use the ETA-9130 basic report.

◆ Internal controls over financial reporting requires the grant recipient to maintain books, records, and accounts which, in reasonable detail, accurately and fairly reflect the organization's transactions. These transactions are recorded as necessary to (a) permit preparation of financial statements in conformity with GAAP, and (b) maintain accountability for assets.

◆ To help complete this indicator, GM staff may find it useful to use 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 and to testing at Objective 3.f: Allowable Costs and Cost Classification.

◆ In accordance with 2 CFR Part 2900, Grant recipients should expend funds with the shortest period of availability first, unless authorized by the grant award, cooperative agreement, or subsequent grant amendment.

Questions for Review and Discussion:

1. Review supporting documentation; trace selected data fields to accounting records or supporting documentation. Are all the 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?

2. How is the grant recipient's financial system, along with supporting documentation, used to complete the latest ETA-9130 Financial Report containing information about:

   ▸ Cash receipts
   ▸ Cash disbursements
   ▸ Federal share of expenditures
   ▸ Total administrative expenditures
   ▸ Unliquidated obligations
   ▸ Recipient share expenditures
   ▸ Cost-sharing (match) or leveraged resources expenditures
   ▸ Program income earned
   ▸ Program income expended
   ▸ Other Federal funds expended
   ▸ Indirect costs

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

   ▸ The appropriate funding stream(s)?
   ▸ The appropriate PMS subaccount?

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

   ▸ Federal funding source
   ▸ Assistance Listings (found on SAM.gov)
   ▸ 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 the name of the PTE?

6. What are the grant recipient's procedures 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 amendment?

7. What policy is in place to ensure that funds with the shortest availability are being drawn and spent first?

8. How does the grant recipient ensure that all transactions are recorded accurately, timely, and correctly summarized and posted in the financial management system?

Notes:

OBJECTIVE 3.B: ACCOUNTING SYSTEM AND FINANCIAL REPORTING

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

If applicable, the PTE has a system in place to ensure the subrecipient is reporting the 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.

- ◆ Please review [Objective 2.f: Subrecipient Management and Oversight](#).

Questions for Review and Discussion:

1. What are the 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
   - ▸ Expenditures (direct costs and indirect costs)
   - ▸ Program income and tracking of credits
   - ▸ Cost-sharing (match) and/or leveraged resources (where applicable)

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, how does the PTE understand the basis of the estimate and verify if reasonable?

Notes:

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.

Citation:

2 CFR 200.329(b)

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. If the rate of expenditures is not in line with the performance report, obtain an explanation and assess the reasonableness of that explanation.

Questions for Review and Discussion:

1. How does the grant recipient ensure expenditures reported on the ETA-9130 align with the data contained in its corresponding performance reports?

2. Will funds be exhausted prior to meeting performance goals? If so, how will the grant recipient address this?

3. If the grant recipient's spending is not in accordance with its performance rates, what is the explanation and is it reasonable?

Notes:

OBJECTIVE 3.C: PAYMENTS AND CASH MANAGEMENT

The grant recipient has a payments 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 PMS and disbursement of funds to pay allowable costs.

Citations:

2 CFR 200.305(b) and 2 CFR Part 2900

Instructions:

- ❑ Review the grant recipient's policy and procedures on payments and cash management.
- ❑ Walk through the payments and 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.
- ❑ Review a summary of the grant recipient's drawdowns and expenditures for one month. Compare and analyze its drawdowns for one month to its corresponding expenditures for the same month.
- ❑ 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.
- ❑ For state grant recipients, review if a state has any major programs that meet the Cash Management Improvement Act (CMIA) amounts. If the state does meet the CMIA criteria, ensure the state has a CMIA agreement and the state is following all the requirements per the agreement.
- ❑ If the grant recipient has a subrecipient, request evidence that the PTE is monitoring the cash management activities of its subrecipients.

Tips:

- ◆ States must follow the Rules and Procedures for Efficient Federal-State Funds Transfers 31 CFR Part 205 also known as the Cash Management Improvement Act (CMIA) and their Treasury-State Agreement 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 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.

◆ All funds must be fully expended by the expiration of the period of performance, or they risk losing their availability. Unless otherwise authorized in a grant or cooperative agreement or subsequent modification, recipients must expend funds with the shortest period of availability first.

Questions for Review and Discussion:

1. What are the grant recipient policies and procedures to minimize cash on hand? How do internal controls ensure proper segregation of duties for the following functions: recording, custodianship, authorization, 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. If the recipient has requested advance payments, are they issuing disbursements on funds previously requested prior to making subsequent drawdowns?

5. What is the reconciliation process performed between the cash drawdowns and the expenditures? How frequent is it performed and reviewed?

6. How is the recipient ensuring the expended funds with the shortest period of availability first?

7. What are the grant recipient's policies for payment of non-sufficient funds, overdraft fees, and other penalties which cannot be paid using Federal funds?

8. 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 requests additional advances?

9. If the grant recipient is a state, does the state meet the CMIA criteria? Do they have a written agreement and are they complying with the designated requirements?

Notes:

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

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

Citations:

2 CFR 200.1, 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.

Tips:

◆ The enactment of the Payment Integrity Information Act of 2019 (PIIA) expanded the use of data to identify and control improper payments, and revoked the Improper Payments Information Act of 2002 (IPIA), Improper Payments Elimination and Recovery Act of 2010 (IPERA), and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA). PIIA incorporated selected provisions from IPIA, IPERA, and IPERIA into a single guidance. PIIA still provides guidance on monitoring and reporting improper payments and Federal agencies to continue their review of programs and activities annually to identify those susceptible to significant improper payments and updates the definition of significant improper payments. Following enactment of the PIIA of 2019, OMB issued guidance in Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement. Payment integrity is a top priority by focusing on reducing improper payments. Therefore, DOL requires that grant recipients make every effort to identify and recover improper payments too.

Questions for Review and Discussion:

1. What is the grant recipient's policy and procedures to identify, recover, and recapture improper payments?

2. If applicable, what is the PTE's improper payment procedures for their subrecipient(s)? And how does it ensure that its subrecipients also have policies and procedures in place for improper payments?

Notes:

OBJECTIVE 3.C: PAYMENTS 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 Federal funds are deposited in insured bank depository institutions.

- ❑ If DOL funds are not deposited in an insured bank or savings association, obtain an explanation from the grant recipient, and then assess the reasonableness of the explanation.

Tips:

- ◆ Grant recipients must deposit Federal funds in insured bank depository institutions to ensure coverage of these dollars in case of bank failure. Depositor 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 Federal Deposit Insurance Corporation (FDIC) 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 a deposit account (and not an investment account), with an insured depository institution or bank that provides insurance coverage on deposits?

2. 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: COST-SHARING AND LEVERAGED RESOURCES

If applicable, the grant recipient has written policies and procedures in place to record and support any required cost-sharing (match) or leveraged resources committed or identified in the award or program regulations.

(C) Indicator 3.d.1: Cost-Sharing (Match) & Leveraged Resources Policies and Procedures

The grant recipient's written policy and procedures on cost-sharing (match) and leveraged resources align with the FOA and the Uniform Guidance.

Citations:

FOA, 2 CFR 200.302(b)(7), 2 CFR 200.306(b), and 2 CFR Part 2900

Instructions:

❑ Review the grant recipient's written policy and procedures for cost-sharing (match) and leveraged resources (if applicable).

❑ Interview staff responsible for documenting and tracking cost-sharing (match) and leveraged resources (if applicable).

❑ Interview staff to ensure that the key personnel are following written policy and procedures.

❑ Cross-check recording, valuation, and reporting of cost-sharing (match) against the cost-sharing (match) requirements outlined in the Uniform Guidance and Subpart E – Cost Principles

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Tips:

◆ Cost sharing (match) means the portion of project costs not paid by Federal funds or contributions (unless otherwise noted by Federal statute.) Cost-sharing (match) resources consist of either cash or in-kind contributions.

◆ Leveraged resources are not defined in statute, regulation, Uniform Guidance, or other administration requirements. ETA's use of the term is "all resources used to support the grant activity" and is encouraged for all grant programs.

◆ YouthBuild regulations defines leveraged resources as:

  ▸ Costs which meet the criteria for cost-sharing (match) in 20 CFR 688.530 and are in excess of the amount of cost-sharing or match resources required
  ▸ Costs which would meet the criteria in 20 CFR 688.530 except that they are paid for with other Federal resources
  ▸ Costs which benefit the grant program and are otherwise allowable under the cost principles but are not allowable under the grant because of some statutory, regulatory, or grant provision, whether paid for with Federal or non-Federal resources.

◆ Leveraged resources:

  ▸ Must be costs allowable under OMB Uniform Guidance and under the specific grant itself
  ▸ Also includes allowable cost-sharing (match)

- May have the same requirement as cost-sharing (match)
- Grant recipient does not get penalized for not meeting leverage resources, but does so for cost-sharing (matching)

◆ GM staff should ensure that cost-sharing (match) is only on official Federal reports once it has been expended on an allowable program activity.

◆ The grant recipient needs to account for funds used for cost-sharing (match) within their accounting systems as the funds are expended, per 2 CFR Part 2900.

Questions for Review and Discussion:

1. What are the grant recipient's written policies and procedures for cost-sharing (matching) requirements?

2. Do the policies and procedures address the following requirements as outlined 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 cost-sharing requirements of another Federal program
   - Are provided for in the approved budget, when required
   - Methodology for tracking and documenting cost-sharing (match)
   - Methodology for the valuation of non-cash contributions

   - Identify that it must be expended on the program or project requiring match before it can be reported to DOL-ETA

3. If applicable, does the PTE have a policy and procedures for cost-sharing (match) and/or leveraged resources for its subrecipient(s)?

4. What documentation does the grant recipient have to demonstrate that they accounted for cost-sharing (match) and leveraged resources within its accounting systems, and they expended on allowable grant activity?

5. Did the grant recipient indicate they will provide leveraged resources? If so, are the costs allowable under the Uniform Guidance?

6. If applicable, has the PTE encouraged the use of leveraged resources to their subrecipients?

Notes:

OBJECTIVE 3.D: COST-SHARING AND LEVERAGED RESOURCES

(C) Indicator 3.d.2: Cost-Sharing (Match) Expenditures

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

Citations:

2 CFR 200.306(d) and 2 CFR Part 2900

Instructions:

- ❑ Review the grant to determine if the use of cost-sharing (match) is required to support grant activity and was expended prior to the recording in the grant recipient's accounting system.

- ❑ Interview fiscal and program staff responsible for documenting the use of cost-sharing (match) expenditures.

- ❑ Request a sample of cost-sharing (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.

- ❑ Use Tool P: Transaction Testing to assist in completing the indicator.

Tips:

- ◆ A key and important change related to cost-sharing (match) is at DOL's exception at 2 CFR Part 2900. 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 cost-sharing (match) within its accounting systems as the funds are **expended**. The receiving of cash and in-kind contributions as cost-sharing (match) is not enough, as DOL has placed an emphasis on the need to expend cost-sharing contributions on allowable grant activities before it can be recognized as cost-sharing (match).

- ◆ Per DOL policy, for grant recipients interested in applying unrecovered indirect costs to meet its requirement, they must obtain prior written approval from the Grant Officer prior to recognizing these costs as cost-sharing (match) expenditures.

- ◆ Grant recipients are required to adhere to the requirements specified in the Uniform Guidance and DOL's exception at 2 CFR Part 2900. Discounts, rebates, and other applicable credits, outlined in 2 CFR 200.406, are a cost reduction or reduction in expense and not as an expense itself. Additionally, 2 CFR Part 2900 requires that cost-sharing (match) is expended on the program, since a discount or other applicable credits does not result in expenditure, it cannot be considered cost-sharing or match. Therefore, it is not additional money to the grant nor is it coming from non-Federal resources. Discounts are not in-kind contributions based on the definition that contributions are products, spaces, or services provided by a third-party organization and not paid by the grant recipient, but which would represent allowable costs if paid by the grant.

- ◆ PTEs must accept any cost-sharing (match) funds, including cash and third-party in-kind contributions, and also including funds committed by the recipient, subrecipient, or third parties, as part of the subrecipient's contributions to a program.

Questions for Review and Discussion:

1. How does the grant recipient report cost-sharing (match) when expended on allowable grant activity and not when received? If applicable, how do they report subrecipient cost-sharing (match) and/or leveraged resources?

2. How does the grant recipient report the use of cost-sharing (match) in the appropriate performance and financial reports? If applicable, how do they report their subrecipient's cost-sharing (match) expenditures?

3. From the sample of cost-sharing (match) expenditures reviewed, how do they meet the following criteria as prescribed in 2 CFR 200.306(b)(1-7)?

   ▶ Allowable under Subpart E – Cost Principles and under the specific grant itself
   ▶ 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 cost-sharing (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 cost-sharing (match) requirement, did they obtain prior approval from the Grant Officer? Review supporting documentation to ensure that these uncovered indirect costs were not paid using grant funds.

Notes:

OBJECTIVE 3.D: COST-SHARING AND LEVERAGED RESOURCES

(C) Indicator 3.d.3: Valuation and Documentation of Cost-Sharing

The grant recipient has a methodology in place to value cost-sharing (match). Records are available and demonstrate that cost-sharing (match) expenditures are being tracked.

Citation:

2 CFR 200.306(b)(1)

Instructions:

❑ Review the sample of cost-sharing (match) expenditures and ascertain if supporting documentation is sufficient and appropriate.

Tips:

◆ The Uniform Guidance has strengthened the valuation and documentation standards for cost-sharing (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 cost-sharing (match) contributions, regardless of if they are 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, 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 cost-sharing (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, LMI, and other acceptable forms of documentation. GM staff should evaluate all supporting documentation for validity and assess its acceptability.

◆ Grant recipients must maintain records to support all cost-sharing or matching 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 200.334, 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 cost-sharing (match) and/or leveraged resources.

Questions for Review and Discussion:

1. From the sample of cost-sharing (match) expenditures reviewed, is the grant recipient's valuation of non-cash contributions in accordance with the Cost Principles in Subpart E of the Uniform Guidance? Is the value of non-cash contributions (goods and services) adequately supported?

2. How does the grant recipient support cost-sharing (match) reported on the performance and financial reports? What is contained in the supporting documentation?

3. If applicable, what supporting documents does the subrecipient have for any cost-sharing (match) and/or leveraged resources reported by them?

Notes:

OBJECTIVE 3.D: COST-SHARING AND LEVERAGED RESOURCES

(E) Indicator 3.d.4: Valuation and Documentation of Leveraged Resources

The grant recipient properly values and documents the use of leveraged resources (where applicable).

Citation:

FOA

Instructions:

- ❑ Review the grant recipient's FOA, grant agreement, and/or program statute to understand whether leveraged resources are required.

Tips:

- ◆ Leveraged resources apply <u>only</u> 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 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 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 items 10k Recipient Share of Expenditures and/or 11a Other Federal Funds Expended? Are they also reported on the applicable program narrative report(s)?

2. What supporting documentation does the grant recipient have to support these reported leveraged resources?

Notes:

OBJECTIVE 3.E: PROGRAM INCOME

The grant recipient has written policies and procedures in place to accurately record and expand the program income in compliance with applicable Federal statues, implementing regulations, and 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.

Citations:

WIOA sec. 194(7)(B), 2 CFR 200.302(b)(7), 2 CFR 200.305(b)(9), 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, 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 PMS through an electronic medium using either the ACH network or a Fedwire Funds Service payment. Refer to 2 CFR 200.305(b)(9) for instructions on remitting of interest income.

◆ Program income earned during the period of performance may only be used for costs incurred during the period of performance or for allowable closeout costs. Program income is typically revenue earned or generated using Federal funds.

◆ Recipients or subrecipients must expend all their program income earned from Federal funds before requesting additional cash.

◆ Recipients or subrecipients may retain up to $500 per year of interest earned on Federal funds to use for administrative expenses of the recipient or subrecipient. Any additional interest earned on Federal funds must be returned to the Federal agency through PMS.

Questions for Review and Discussion:

1. What is the grant recipient's written policies and procedures for program income?

2. What mechanism does the grant recipient have in place to recognize it is earning program income? Is the grant recipient earning any program income?

   ▸ If the grant recipient is earning program income, how are they ensuring that money is expected first before requesting additional cash funds from PMS?

3. Is program income being reported on the ETA-9130 report and reported during the closeout process?

4. Do their policies and procedures 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

5. If the grant recipient has additional interest over $500 per year, did it return the funds to DOL-ETA or through PMS?

Notes:

OBJECTIVE 3.E: PROGRAM INCOME

(C) Indicator 3.e.2: Use, Spending, and Documentation

The grant recipient and their subrecipient (if applicable) are expending program income on allowable grant activities prior to drawing grant funds and are recording and reporting program income appropriately for themselves and their subrecipient (if applicable).

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.
- ❑ Walk through the grant activities that may potentially earn program income and gain an understanding if these activities will earn program income.

Tips:

- ◆ For either method of accounting used as prescribed by the Uniform Guidance (addition, deduction, or cost-sharing (match) methods), 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.
- ◆ Refer to the grant's terms and conditions on whether the addition or deduction method of accounting is used in allocating any program income generated.
- ◆ The Subpart E - Cost Principles also apply to the expending of program income. Similar to costs charged to the Federal grant, the spending of these funds must be on 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. What mechanism does the grant recipient and their subrecipient(s) have in place to ensure that they expend program income prior to drawing down grant funds?

2. Is program income generated by multiple funding sources properly allocated by the grant recipient and their subrecipient(s)?

3. Does the grant recipient and their subrecipient(s) 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 their subrecipient(s) expend program income on grant-related activity? Is program income expended and disbursed first in accordance with applicable Federal regulations?

5. How 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 recipients or their own subrecipient's use?

6. What is the PTE's system 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 only charging necessary, reasonable, and allowable costs to the grant and that such costs are accurately classified in its accounting system.

(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, program regulations, and grant terms and conditions and have been issued to key personnel and, if applicable, subrecipients.

Citations:

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 allowable cost policy and procedures against the Subpart E – Cost Principles, program regulations, and grant terms and conditions.

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

Questions for Review and Discussion:

1. How do policies and procedures reflect the Uniform Guidance at Subpart E – Cost Principles, program regulations, and grant terms and conditions?

2. How are these policies and procedures circulated to the appropriate personnel, financial, and program staff? How are grant staff trained on these policies and procedures?

3. 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?

4. If applicable, how does the PTE ensure that their subrecipient(s) are following appropriate cost guidelines and the policies of the Federal awarding agency? Has the PTE issued written cost policies to their subrecipient(s)?

Notes:

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 costs are charged to the proper cost categories, classified correctly and that expenditure thresholds are maintained. Where applicable, the accounting system allows grant recipients to expend funds with the shortest period of availability first.

Citations:

2 CFR 200.412 and 2 CFR Part 2900

Instructions:

- ❑ Review the grant recipient's Chart of Accounts and ensure that there are separate codes for the different revenue and expenditure categories.

- ❑ Interview key accounting personnel and walk through the entity's accounting system for an understanding of how expenditures are recorded and classified.

  - ▶ If any part of the accounting and financial reporting process is manual, walk through the accounting and financial reporting process and identify any potential risk areas and discuss compensating controls for these areas.

- ❑ 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.

- ◆ 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 cost limitation. Any administrative costs in excess of the program's administrative limitation must be charged to non-Federal funds.

- ◆ For grants that have expenditure caps or thresholds on certain grant activities based on statute, grant agreement 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.

◆ Contained in the grant terms and conditions and in the WIOA regulations (20 CFR part 683), funds awarded through a grant or cooperative agreement or subsequent amendment, recipients must expend funds with the shortest period of availability first (known as first in first out (FIFO)).

◆ Grant recipients should look to their program regulations to review all reporting requirements.

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, should 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, is the grant recipient's Chart of Accounts and its accounting system tracking 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, how is the PTE reviewing their 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?

6. What policy is in place to ensure that funds with the shortest availability is being drawn and spent first?

7. What policy is in place to ensure that costs are classified correctly or by activity or function?

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 direct and allocated costs consistently within its accounting system.

(C) Indicator 3.g.1: Cost Allocation Standards

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 are allocated to the grant based on benefit received.

Citations:

2 CFR 200.302, 2 CFR 200.403, 2 CFR 200.405, and TEGL 16-22

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, Cost Principles (Subpart E) in the Uniform Guidance, and the grant program's statute and regulations for guidance on selected items of cost, cost limitations, cost restrictions or cost prohibitions.

- ❑ 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, then it is 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.

- ❑ 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 rate 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.

- ❑ Use Tool K: Contract or Agreement Checklist to assist in completing the indicator.

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 at line-item 10e – Federal Share of Expenditures.

◆ Some grant recipients may be on a cash basis for accounting purposes resulting in the amount per the detailed general ledger not agreeing with the amount reported on the 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 of how accruals are being 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, GM staff now have 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 B: Sampling Best Practices for 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 amendments 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 should demonstrate that the Uniform Guidance Cost Principles and cost limitations and restrictions contained in program regulations have been met. When receiving supporting documentation, review the document(s) to ensure that the grant recipient is following their own processes, and, regardless of the type of cost, supporting documentation should evidence it as necessary, reasonable, and allocable.

Questions for Review and Discussion:

1. What are the grant recipient's written policies and procedures for distributing program costs, staff time, and general administrative costs among funding streams, programs, etc.?

2. How does the grant recipient identify the circumstances when costs are necessary, reasonable, allowable, allowable with condition, and unallowable?

3. How does the grant recipient's policies and procedures reflect requirements identified in the grant FOA and applicable program/authorizing statutes and TEGLs?

4. When sampling and testing costs from the grant recipient and subrecipient's general ledger, did you find the following factors of allowability as described in 2 CFR 200.403)?:

   ▸ Necessary and reasonable for the performance of the grant and allocable under the Cost Principles
   ▸ Conform to any limitations or exclusions
   ▸ Consistent with policies and procedures that apply uniformly to both Federal and non-Federal funds
   ▸ Consistently treated
   ▸ Legal under state and local law
   ▸ In accordance with GAAP (except for state/local government, and Indian tribes only)
   ▸ Not included as a cost or used to meet cost-sharing requirements of another Federally-financed program
   ▸ Adequately documented
   ▸ Incurred during the approved budget period

5. 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 Amendments for prior approval guidance.

6. Does the grant recipient have multiple funding sources? If so, please continue through the rest of Objective 3.g; if not, move on to Objective 3.h: Audits and Audit Resolution.

Notes:

✓ OBJECTIVE 3.G: COST ALLOCATION/INDIRECT COSTS

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

The grant recipient has an approved cost allocation plan and uses it to allocate indirect costs.

Citations:

2 CFR 200.403(d), and 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.

❑ Walk through how the grant recipient allocates shared direct and indirect costs. Review the plan's methodology for allocating costs to ensure that the distribution base results in reasonable benefit and proportionate share.

❑ Review any costs that were recently allocated to the grant or program to ensure that the plan was followed.

▸ 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. Staff time cannot be based on job description, it must instead be on actual time worked.

▸ Request a detailed listing of all personnel that charge time, fully or partially, to the grant and make a sample selection.

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 using a distribution allocation base that demonstrates reasonable benefit and proportionate share. 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 (NICRAs) 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. (Please refer to Resource F: 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.] In accordance with 2 CFR 200.401(c), some nonprofit organizations, because of their size and nature of operations, can be considered to be similar to for-profit organizations in terms of the applicability of cost

principles. These nonprofit organizations must operate under Federal cost principles that apply to for-profit organizations located at 48 CFR 31.2. Appendix VIII contains a list of these nonprofit organizations. Other organizations may be added to this list if approved by the cognizant agency for indirect costs.

▸ **State and Local Government-wide Central Service CAPs** – Statewide Cost Allocation Plans (SWCAPs) for all states (including the 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? Are they the authorized party to that CAP?

2. Is the CAP reviewed on an annual basis and updated as needed?

3. How does the grant recipient allocate shared costs in accordance with their cost allocation plan?

4. How does the grant recipient allocate their 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?

5. 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?

6. Is the grant recipient applying the carry forward waiver correctly?

Notes:

✓ OBJECTIVE 3.G: COST ALLOCATION/INDIRECT COSTS

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

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

Citations:

2 CFR 200.416(b) and (c) and 2 CFR Part 2900

Instructions:

❑ Read the Instructions of Indicator 3.g.2: Cost Allocation

❑ Request and review the grant recipient's NICRA and ensure that the effective dates align with the period of performance of the grant. Review the departments and locations to ensure that it includes the department and location in which the grant is being managed. In addition, review the distribution base identified on the grant recipient's NICRA to ensure it is applied correctly.

❑ Indirect costs resulting from NICRA 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.

❑ Use Resource F: SWCAP and NICRA Resources to assist in completing the indicator.

Tips:

◆ All indirect costs, using the approved rate, must be allocated to all grants regardless of any restrictions or funding limitations. **P**ooled costs are divided by the distribution **b**ase which equals the rate (P/B=R). 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 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 grant 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).

- State agencies may have multiple NICRAs or a NICRA and a CAP, one rate covering the entire State and another covering only the agency running the grant or program.
- Please refer to DOL's Cost & Price Determination Division for more information.
- 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 Part 2900].

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 of performance of the grant the grant?

2. If not, is the grant recipient currently working to submit an updated proposal or waiting for approval from its cognizant agency?

3. Review the NICRA's distribution base. Is the grant recipient correctly applying the distribution base to its pooled costs? 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, after obtaining the final ETA-9130 Financial Report, were all indirect costs being reported on the form?

Notes:

OBJECTIVE 3.G: COST ALLOCATION/INDIRECT COSTS

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

The grant recipient has indirect costs, has received prior approval from DOL to use the de minimis rate in allocating these costs, and is correctly applying 15% to the modified total direct costs (MTDC).

Citations:

2 CFR 200.414(f) and Appendix VII(D)(1)(b)

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 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 currently do not have a negotiated (including provisional) rate and have allowable indirect costs that they would like to charge to a Federal award may elect to charge a de minimis rate of the MTDC, which may be used indefinitely. For awards issued **PRIOR** to October 1, 2024, the 10% de minimis rate must be used. For awards issued **AFTER** October 1, 2024, the 15% de minimis rate may be used.

◆ MTDC are all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $50,000 of each subaward (regardless of the period of performance of the subawards under the award). Refer to the grant's terms and conditions for ETA's definition of MTDC.

◆ Government departments or agencies that receive more than $35 million in direct Federal funding during their fiscal year must submit their indirect cost rate proposal to its cognizant agency for indirect costs.

◆ PTEs may also accept the de minimis rate if its subrecipient currently does not have a negotiated rate and has indirect costs associated with its subaward. However, PTEs must not require the use of the de minimis indirect cost rate if the subrecipient has a NICRA.

Questions for Review and Discussion:

1. Is the grant recipient electing to use the de minimis rate? If so, ensure that the grant recipient does not have a current negotiated (including provisional) rate.

2. Did the grant recipient correctly calculate the MTDC? Did the grant recipient correctly apply 15% to the MTDC base?

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 that includes debt collection for any subrecipients.

(C) Indicator 3.h.1: Audit Process

The grant recipient had a single or program-specific audit performed if it expended $1 million or more in Federal awards during its fiscal year.

Citations:

2 CFR 200.332(e)(3), 2 CFR 200.342, 2 CFR 200.501, 2 CFR 200.502, and 2 CFR Part 2900

Instructions:

❑ Review the grant recipient's audit and audit resolution policies and procedures.

❑ Examine the grant recipient's official book of accounts and determine if it has expended $1 million or more in Federal awards during the grant recipient's fiscal year. Please review Tip #1 below for more information on audit thresholds. If so, ensure that a single or program-specific audit was completed. Or request a copy of the financial statements contained in the most recent Comprehensive Annual Financial Report or Single Audit to determine if the threshold has been met.

❑ 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.

❑ Review if the grant recipient has ever had any prior open findings.

❑ Use Resource G: Single Audit Report Framework, Tool Q: Audit Resolution Tracking Checklist, and Tool M: General Appeals Process to assist in completing the indicator.

Tips:

◆ For fiscal years that end AFTER October 31, 2024, the $1 million audit threshold applies. For fiscal years ending BEFORE October 31, 2024, the $750,000 audit threshold applies.

◆ 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.

◆ DOL's adoption of the Uniform Guidance (2 CFR Part 2900), specifies that a questioned cost is a cost questioned by auditors, FPOs, Grant Officers, or any other authorized awarding agency representative to questioned costs. 2 CFR Part 2900 allows for PTEs to issue a management decision within twelve months of acceptance of the audit report by the Federal Audit Clearinghouse (FAC). The DOL appeal process is outlined at 2 CFR Part 2900. The Uniform Guidance hearings and appeals requirement is found at 2 CFR 200.342.

- The schedule of expenditures of Federal awards (SEFA) is part of a Single Audit or an Annual Comprehensive Financial Report (ACFR).

- Except for audit follow-up, auditors are not required to perform audit procedures for Federal programs that are not audited as a major program. GM staff typically monitor all programs, not only major programs. Monitoring reviews may result in findings or questioned costs that were not identified by a grant recipient's auditors.

- PTEs must issue management decisions for audit findings pertaining only to the Federal award provided to the subrecipient and resolve audit findings specifically related to the subaward. The PTE is not responsible for resolving cross-cutting findings that apply to the subaward and other Federal awards or subawards.

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." What:

   ▶ Are the material weaknesses identified?
   ▶ Are the reportable conditions identified?
   ▶ Are the Federal award findings identified?
   ▶ Are the 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 all entities and State or Indian tribes that do not have their own procurement policies and procedures, 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?

6. Does the grant recipient have any prior open audit findings?

   ▶ If so, how is the grant recipient working to resolve those findings?
   ▶ If so, and the grant recipient has any pending litigation or legal issues, will that impact the finances of the grant?

Notes:

✓ 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.

Citations:

2 CFR 200.332(d)(2), 2 CFR 200.501(c), and 2 CFR Part 2900

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 $1 million or more in Federal dollars during the grant recipient's fiscal year, requiring a single audit to be conducted. Please review Tip #1 below for more information on audit thresholds.

▶ Review the policy to ensure that the PTE follows up with the subrecipient(s) on any administrative findings and questioned costs identified by the audit.

▶ Review the policy and procedures for appeals and debt collection when improper payments and questioned costs become disallowed costs.

❑ Obtain a copy of the subrecipient's single or program-specific audit and review the Schedule of Expenditures for Federal Awards (SEFA) and the Schedule of Findings contained 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.

❑ Use Resource G: Single Audit Report Framework, Tool Q: Audit Resolution Tracking Checklist, and Tool M: General Appeals Process to assist in completing the indicator.

Tips:

◆ For fiscal years that end AFTER October 31, 2024, the $1 million audit threshold applies. For fiscal years ending BEFORE October 31, 2024, the $750,000 audit threshold applies. As part of managing a subrecipient, a PTE is responsible for ensuring that if a subrecipient expends $1 million (as of FY 2025) 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.

◆ In all instances, the records of the grant recipient must be available for review or audit by appropriate officials of the Federal agency, PTE, and the Government Accountability Office (GAO).

◆ The use of a cooperative audit resolution and oversight (CARO) is an effort promoted by DOL and other federal agencies to assist in the review and resolution of single audits.

Questions for Review and Discussion:

1. Did any subrecipients expending either $750,000 or $1 million (depending on the fiscal year end) or more in Federal awards have a single or program-specific audit performed?

2. How does the PTE review their subrecipient's audit report?

3. As part of its monitoring responsibilities, how 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. What are the PTE's appeal and debt collection procedures in case a subrecipient is unable to resolve a questioned cost?

Notes:

✓ 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 FAC), if the grant recipient has administrative findings, significant deficiencies, and/or material weaknesses; than it must have a corrective action plan in place to resolve the findings, significant deficiencies, and/or material weaknesses related to internal controls.

Citations:

2 CFR 200.514(c) and 2 CFR Part 2900

Instructions:

- ❑ Obtain the grant recipient's latest single audit and 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.

- ❑ Use Resource G: Single Audit Report Framework, Tool Q: Audit Resolution Tracking Checklist, and Tool M: General Appeals Process to assist in completing the indicator.

Tips:

- ◆ Access to completed Single Audit packages and the SF-SAC form can be found at the 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 the remaining questions.

2. What is the grant recipient's corrective action plan to address any administrative findings significant deficiencies, and/or material weaknesses?

3. Review the grant recipient's corrective action plan. Is the plan sufficient and reasonable? Will the corrective actions be completed timely?

Notes:

APPENDIX

The appendix contains the tools and resources to assist GM staff in their examination and analysis of the indicators contained in the CMG.

TABLE OF CONTENTS

RESOURCE A: ACRONYMS – CMG AND SUPPLEMENTS

Purpose:

To provide a list of important acronyms used in the Core Monitoring Guide and its Supplements.

Acronyms:

Acronym	Definition
ACH	Automated Clearinghouse
ACFR	Annual Comprehensive Financial Report (formerly known as the CAFR – Comprehensive Annual Financial Report)
ADA	Anti-Deficiency Act or Americans with Disabilities Act
AEFLA	Adult Education and Family Literacy Act
AICPA	American Institute of Certified Public Accountants
AJC	American Job Center
ALJ	Administrative Law Judge
ALP	Acceptable Level of Performance
AMP	Agency Management Plan
AOC	Area of Concern
APR	Annual Performance Report
ARC	Analyst Resource Center
ARGO	Administrative Regional Grant Officer
ARM	Application Review Services Module – Grant Solutions
ARS	Audit Resolution Specialist / Agricultural Recruitment System
AS	Announcement Services Module – Grants Solutions
AS&T	Administrative Staff and Technical Services
ATAA	Alternative Trade Adjustment Assistance
BLS	Bureau of Labor Statistics
BPC	Benefit Payment Control
CA	Compliance Assistance
CAP	Corrective Action Plan or Cost Allocation Plan
CARES	Coronavirus Aid, Relief, and Economic Security Act
CARO	Cooperative Audit Resolution and Oversight
CCA	CMG Core Activity
CD	Certificate of Deposit
CDC	Center for Disease Control and Prevention
CEO	Chief Elected Official

Acronym	Definition
CFR	Code of Federal Regulations
CMG	Core Monitoring Guide
CMIA	Cash Management Improvement Act
COA	Condition of Award
COFAR	Council of Financial Assistance Reform
COOP	Continuity of Operations Plan
CoP	Community of Practice
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CP	Community Project
CPP	Cost-Per-Participant
CRIS	Common Reporting Information System
CSBG	Community Services Block Grant
CSA	Community Service Assignment
CSE	Community Service Employment
CSP	Comprehensive Services Plan
CVFR	Current Value of Funds Rate
DD-214	Department of Defense Military Service Record
DFMAS	Division of Financial Management and Administrative Services
DINAP	Division of Indian and Native American Programs
DLMS	Department of Labor Management Series
DOD	US Department of Defense
DOI	US Department of the Interior
DOL	US Department of Labor
DUA	Disaster Unemployment Assistance
DV	Data Validation
DVOP	Disabled Veteran Outreach Program
DWG	Dislocated Worker Grant
EAR	Economic Analysis Report
EB	Extended Benefits
ED	Department of Education
EDMR	Enhanced Desk Monitoring Review
EDR	Equitable Distribution Report
EEO	Equal Employment Opportunity
EIN	Employer Identification Number

Acronym	Definition
EO	Equal Opportunity
ES	Employment Services
ESL	English as a Second Language
ET	Employment and Training
ERP	Eligibility Review Program
ETA	Employment and Training Administration
ETLS	Employment and Training Legal Services
ETO	Employment and Training Order
ETP	Eligible Training Provider(s)
ETPL	Eligible Training Provider List
EUC	Emergency Unemployment Compensation
F&A	Facilities and Administrative
FAC	Federal Audit Clearinghouse
FAIN	Federal Award Identification Number
FAPIIS	Federal Awardee Performance Integrated Information System
FAR	Federal Acquisition Regulation
FAS	Federal Acquisition Services
FASB	Financial Accounting Standards Board
FD	Final Determination
FDIC	Federal Deposit Insurance Corporation
FEMA	Federal Emergency Management Agency
FFATA	Federal Awarding Accountability and Transparency Act
FFY	Federal Fiscal Year – October 1st
FLC	Foreign Labor Certification
FMV	Fair Market Value
FOA	Funding Opportunity Announcement
FOIA	Freedom of Information Act
FPO	Federal Project Officer
FPUC	Federal Pandemic Unemployment Compensation
FPY	Federal Program Year – July 1st
FSRS	FFATA Subaward Reporting System
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Audit Standards
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accountability Office
GASB	Government Accounting Standards Board

Acronym	Definition
GED	General Education Diploma
GMM	Grants Management Services Module – Grant Solutions
GMS	Grant Management Specialists
GM Staff	Grants Management Staff
GO	Grant Officer
GPMS	Grantee Performance Management System
GRMM	Grants Risk Monitoring Module
GRS	Grantee Reporting System
GS	GrantSolutions
GSA	General Service Administration
H-1B	Temporary Non-Immigrant Work Visa Program
HBCU	Historically Black College and University
HHS	Department of Health and Human Services
HiSET	High School Equivalency Test
HUD	Department of Housing and Urban Development
IC	Internal Controls
ICR	Indirect Cost Rate
ID	Identification Card
ID	Initial Determination
IDP	Individual Development Plan
IEP	Individual Employment Plan
IFA	Infrastructure Funding Agreement
IFB	Invitation for Bid
IHE	Institution of Higher Education
INAP	Indian and Native American Programs
IPERA	Improper Payments and Elimination and Recovery Act
IPERIA	Improper Payments and Elimination and Recovery Improvement Act
IR	Incident Report
IRS	Internal Revenue Service
ISS	Individual Service Strategy
ISY	In-School Youth
IT	Information Technology
ITA	Individual Training Account
IW	Incumbent Worker
IWT	Incumbent Worker Training
JTPA	Job Training Partnership Act
JVSG	Jobs for Veterans State Grants
LEP	Limited English Proficiency

Acronym	Definition
LMI	Labor Market Information
LTU	Long-Term Unemployed
LTUR	Long-Term Unemployment Recipient
LWDB	Local Workforce Development Board
LX	Labor Exchange
MAS	Monitor Advocate System
MIS	Management Information System
MMDA	Money Market Deposit Account
MOA	Method of Administration
MOU	Memorandum of Understanding
MSFW	Migrant and Seasonal Farmworker
NAICS	North American Industry Classification System
NASWA	National Association of State Workforce Agencies
NDWG	National Dislocated Worker Grants
NFJP	National Farmworker Jobs Program
NGB-22	National Guard Report of Separation and Record of Service
NICRA	Negotiated Indirect Cost Rate Agreement
NO	National Office
NOA	Notice of Award
NRP	Needs-Related Payment
O*NET	Occupational Information Network at https://www.onetonline.org/
OA	Office of Apprenticeship
OAA	Older Americans Act
OASAM	Office of the Assistant Secretary for Administration and Management
OCIO	Office of the Chief Information Officer
OFA	Office of Financial Administration
OFLC	Office of Foreign Labor Certification
OGM	Office of Grants Management
OIG	Office of the Inspector General
OJC	Office of Job Corps
OJT	On-the-Job-Training
OMAS	Office of Management and Administrative Services
OMB	Office of Management and Budget
OPDR	Office of Policy Development and Research
OPM	Office of Personnel Management
ORM	Office of Regional Management

Acronym	Definition
OSHA	Occupational Safety and Health Administration
OSO	One-Stop Operator
OSY	Out-of-School Youth
OTAA	Office of Trade Adjustment Assistance
OUI	Office of Unemployment Insurance
PAR	Procurement Actions Request
PD	Project Director
PEUC	Pandemic Emergency Unemployment Compensation
PFP	Pay-for-Performance
PI	Project Investigator
PII	Personally Identifiable Information
PIP	Project Implementation Plan
PL	Public Law
PPII	Protected Personally Identifiable Information
PIRL	Participant Individual Record Layout
PMP	Projections Management Partnership
PMS	Payment Management System
PO	Program Office
POC	Point of Contact
POP	Period of Performance
PROWD	Partners for Reentry Opportunities in Workforce Development
PS/PB	Personal Services/Personnel Benefits
PTE	Pass-Through Entity
PUA	Pandemic Unemployment Assistance
PY	Program Year
QNR	Quarterly Narrative Report
QPR	Quarterly Performance Report
QRA	Quarterly Review Analysis
RA	Regional Administrator
RAP	Registered Apprenticeship Program
REO	Reentry Employment Opportunities
RESEA	Reemployment Services and Eligibility Assessment
RFP	Request for Proposal
RJM	Resource Justification Model
RMA	Regional Monitor Advocate
RO	Regional Office
SAF	Self-Attestation Form
SAM	System for Award Management
SAT	Simplified Acquisition Threshold
SBR	Supplemental Budget Request

Acronym	Definition
SCC	Supporting Community Colleges
SCSEP	Senior Community Service Employment Program
SESA	State Employment Security Agency
SEFA	Schedule of Expenditure for Federal Awards
SF	Standard Form
SMA	State Monitor Advocate
SMART	Strategies for Monitoring, Accountability, Risk Management, and Transparency
SME	Subject Matter Expert
SNAP	Supplemental Nutrition Assistance Program
SOC	O*NET's Standard Occupational Classification System
SOL	Office of the Solicitor
SOP	Standard Operating Procedure
SOW	Statement of Work
SQSP	State Quality Service Plan
SSA	Social Security Administration/ Social Security Act
SSDI	Social Security Disability Insurance
SSN	Social Security Number
SWA	State Workforce Agency
SWCAP	Statewide Cost Allocation Plan
SWDB	State Workforce Development Board
SWIS	State Wage Interchange System
SYSP	Supplemental Youth Services Program
TA	Technical Assistance
TAA	Trade Adjustment Assistance
TAG	Technical Assistance Guide
TaOA	Training Assistance and Other Activities
TANF	Temporary Assistance for Needy Families
TCL	Terms and Conditions Library
TEGL	Training and Employment Guidance Letter
TEN	Training and Employment Notice

Acronym	Definition
TOP	Treasury Offset Program
TRA	Trade Readjustment Allowance
TSA	Treasury State Agreement
UC	Unemployment Compensation
UCFE	Unemployment Compensation for Federal Employees
UCX	Unemployment Compensation for Ex-Service Members
UG	Uniform Guidance also known as the OMB Guidance for Federal Financial Assistance, at 2 CFR Part 200 and DOL's adoption and approved exceptions of the Uniform Guidance at 2 CFR Part 2900
UI	Unemployment Insurance
UEI	Unique Entity Identifier
UIPL	Unemployment Insurance Program Letter
UI SA	Unemployment Insurance State Administration Supplement
U.S.C	United States Code
UTF	Unemployment Trust Fund
VR	Vocational Rehabilitation
WFGPS	WorkforceGPS
WIA	Workforce Investment Act
WID	Workforce Information Database
WIGS	Workforce Information Grants to States
WIOA	Workforce Innovation and Opportunity Act
WIPS	Workforce Integrated Performance System
WORC	Workforce Opportunity for Rural Communities
WOTC	Work Opportunity Tax Credit
W-P	Wagner-Peyser
WPRS	Worker Profiling and Reemployment Services
YB	YouthBuild

RESOURCE B: SAMPLING BEST PRACTICES

Purpose:

The use of this resource for sample analysis is at the GM staff's discretion and their supervisor should be included in that decision. Sampling is the practice of taking a subset of a population to be reviewed and testing that subset for the purpose of making observations and inferences about the total population. The goal of sampling is to approximate the characteristics that are relevant to GM staff's questions to the recipient. The sampling frame must be appropriate for the period of review, (i.e. if the review period is one year, reviewing only participants/transactions from the last month would provide an incorrect inference to be applied to the review period). The sample must also be appropriately representative of figures (i.e., if the population is 100 people or 1 million, the same sample size for these two populations should not be the same, it must be scaled appropriately). When samples are taken appropriately, GM staff can then make more accurate inferences about the entirety of the recipient's budget, participants, transactions, draw downs, etc.

Below are four general steps for sampling:

1. **Define the population:** This step is to simply identify what that population of items/files/transactions to select your sample from. Request the population in a digital format that would allow for simple filters or sorting like an Excel sheet. The population should coincide with the grant numbers and period of the review outlined in the entrance letter. If the review contains the last 18 months or two years of activity, ensure that it covers that period and the grants listed on the letter.

2. **Specify a sampling frame:** For example, where training is a key focus of the monitoring review, GM staff should select a sample of files/transactions that show the range of training: Approved but not yet in training; work-based training and classroom training, training dropouts, select from different training providers, a mix of occupations for training, etc. It is important that the GM staff, not the recipient, select the sample to prevent any possible cherry picking from grant staff.

3. **Determine the sample size:** It is equally important to request a sample size that is reflective of the 'period of review' and the number of transactions listed in the grant recipient's MIS. In general, larger samples are better when determining population units, but they also require more time and effort to manage. If GM staff's sample size is 50 participant records out of the available 100, it results in more time than if they only selected 10 records. However, the results of their review are stronger with 50 participant records reviewed versus 10. GM staff must make choices and find an appropriate balance between what gives them 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.).

   The recipient's risk level in GRMM can also assist GM staff in determining the sample size. If the recipient has no risk, then a small sample size is acceptable and preferred. However, if the recipient is significantly at-risk in GRMM, then it is prudent that GM staff use a large sample size to get a clearer and better understanding of the recipient's population, transaction history, etc.

4. **Results and outcomes of sampling and extrapolation:** If the sample tested results for some items are unallowable, GM staff will determine if those items are of a non-recurring nature based on the supporting documentation at hand and through further investigation. These non-recurring errors from the sample may not be reflective of the entire population. If the sample taken yields numerous and recurring errors, then GM staff may extrapolate the results to the remainder of the population or increase the sample size and test more items for more accurate results. Extrapolation is where the sampling trends are extended out to make determinations about the entire population. The greater the amount sampled, the greater the assurance the GM staff will have on the population when the data is extrapolated out, and vice versa. Before applying extrapolation, please discuss with your supervisor to ensure consensus and that the results are documented and recognized correctly in the monitoring report. Extrapolation is discussed in questioned cost at 2 CFR 200.1 and 2 CFR Part 2900.

RESOURCE C: RECORD RETENTION REQUIREMENTS

Purpose:

To aid GM staff in understanding the various record retention requirements found in the Uniform Guidance at 2 CFR 200.334-338 and when reviewing Objective 2.g Records Management.

What Records are Affected:

Per 2 CFR 200.334, "Financial records, supporting documents, statistical records, and all other recipient/ subrecipient 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." **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 – These actions listed do not reduce the period to record retention period to less than 3 years.

Transfer and Custody:

Per 2 CFR 200.334(d), "When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the recipient/subrecipient."

For circumstances when a pass-through entity must take custody of a subrecipient's grant records, the 3-year period retention requirement no longer applies to the subrecipient and is transferred to the pass-through entity. Pass-through entities must have written policies and procedures in place to ensure safe transfer and custody of any subrecipient's grant-related records.

In addition, should circumstances arise that warrant the transfer of records to the Federal awarding agency, direct grant recipient must have written policies and procedures in place to ensure the safe transfer of grant-related records to the Federal awarding agency. To avoid duplication, an awarding agency can make special arrangements with grant recipients to maintain records that are of joint use.

In the event of an early contract termination, the pass-through may only require the transfer of records from contractors and subcontractors when expressly written in the terms and agreements of a written contract/agreement.

Access to Records and FOIA:

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 (2 CFR 200.337).

The Freedom of Information Act (5 U.S.C. 552) (**FOIA**) does not apply to those records that remain under a recipient/subrecipient's control except as required under 2 CFR 200.315. Unless required by Federal, state, local, and tribal statute, recipient/subrecipient are not required to permit public access to their records. The recipient/subrecipient's records provided to a Federal agency generally will be subject to FOIA and applicable exemptions.

Acceptable Forms, Restrictions, and Protected Personally Identifiable Information (PII):

The recipient/subrecipient should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine-readable formats rather than in closed formats or on paper in accordance with applicable legislative requirements. Certain records may be restricted from public view and PII needs to be **protected**.

Records Retention Schedule

Type of Record	Retention Start Date	Examples (not limited to)
General: 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. 2 CFR 200.334	From the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. *Exception: If report is waived, retention period starts on what would have been report due date.	Grant related documents • Grant agreement or State Plan • Grant/contract closeout • Memoranda of Understanding (MOUs) and/or Infrastructure Funding Agreements (IFAs) where applicable Reports • Performance reports • Single Audit reports for the last three fiscal years • Financial reports and accrual tracking worksheets • Subrecipient financial and performance reports Monitoring Reports • Monitoring reports, schedules & review instrument Participant files and Records • Participant files, policy, and management
Real Property & Equipment 2 CFR 200.334(c)	From the date of disposition replacement, or transfer at the direction of the awarding agency.	• Real property records (including amortization status & documentation updates) • Property Inventory • Property and equipment management policy
Interest Income and Program Income 2 CFR 200.334(e)	When required, from the end of grant recipient's fiscal year in which program income is earned.	
Indirect cost rate proposals, Cost Allocation plans, or similar computations of rate per group 2 CFR 200.334(f)	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.	Cost allocation methodologies to include either a negotiated indirect cost agreement and/or an approved Cost Allocation Plan (CAP)

RESOURCE D: ITEMS REQUIRING PRIOR APPROVAL

Purpose

To aid GM staff in understanding the prior approval conditions specified in the Uniform Guidance and grant agreement. Please review the award terms and conditions, ETO 1-24: Grant Management Responsibilities, 2 CFR Part 200, 2 CFR Part 2900, and Indicator 2.a.2: Grant Amendments.

In addition to the guidance set forth in 2 CFR 200.407, for DOL-ETA Federal awards, the recipient/subrecipient must request prior written approval not less than 30 days before the requested action is to occur (2 CFR Part 2900). Unless otherwise noted in the grant agreement or cooperative agreement, the Grant Officer is the official to provide prior written approval. Items included in the statement of work or budget as awarded does not constitute prior approval (2 CFR Part 2900).

Citation	Item	Condition Needed for Prior Approval
Award Terms and Conditions	Administrative costs in excess of statutory limits	• For INAP award recipients requesting to exceed 15% of administrative costs of the grant award. • For SCSEP award recipients requesting to exceed 13.5% administrative costs of the grant award.
Award Terms and Conditions	Consultants	Any fees expected to be paid in excess of the daily rate (representing an eight-hour workday) as outlined in the grant terms and conditions.
Award Terms and Conditions; TEGL 39-11	Personally Identifiable Information (PII)	• Disclosure of PII • Court order
200.208; Award Terms and Conditions	Specific conditions or conditions of award	When a Federal awarding or pass-through agency impose additional specific award conditions or conditions of award, these conditions may establish additional prior approval requirements.
200.306 200.308	Cost sharing (match)	Use of unrecovered indirect costs to meet a cost-sharing (match) or cost-sharing (match) requirement or changes in the total approved cost-sharing (match) amount.
200.307	Program income	When no program income method is specified in the Federal award, prior approval is required to use the addition or cost-sharing (match) methods.
200.308; 2 CFR Part 2900	Revision of budget and program plans	If the Federal Share of the grant exceeds the Simplified Acquisition Threshold **and** any transfer of funds among direct cost categories is expected to exceed ten percent of the total budget (200.308(f)(10)).
200.308; 2 CFR Part 2900	No-cost extension	When an extension of time is needed to accomplish the goals of the grant and does not require the obligation of additional Federal funds.
200.308	Fixed amount awards	Changes in: principal investigator, project leader, project partner, or scope of effort.
200.333	Fixed amount subawards	When a pass-through entity decides to provide subawards based on fixed amounts up to the Simplified Acquisition Threshold provided that the subawards meet the requirements for fixed amount awards in 2 CFR 200.201.

Citation	Item	Condition Needed for Prior Approval
200.430	Compensation – personal services	For Institutions of Higher Education that: • Want to include incidental activities, • Have a faculty member's salary exceeding the Institutional Base Salary (IBS) rate, or • Any consultation charges for such work representing additional compensation above IBS (200.430(h)(1)(ii))-(h)(2)). For States, local governments and Indian tribes: to substitute processes for allocating salaries and wages to Federal awards (200.430(i)(1)(5)). For Federal awards of similar purpose activity or instances of approved blended funding: submitting performance plans that incorporate funds from multiple Federal awards and account for their combined use based on performance-oriented metrics (200.430(i)(7)).
200.439, 2 CFR Part 2900	Capital assets, including equipment	To charge capital expenditures as direct charges for: • General purpose equipment, buildings and land (200.439(b)(1)); • Special purpose equipment over $10,000 (200.439(b)(2)); and • Improvements to land, buildings, or equipment which increase their value or useful life (200.439(b)(3)).Disposition instructions, if required by terms and conditions of Federal award, (200.313(e)). DOL also does not allow purchases during the last year of the period of performance (ETO 2-17). For formula grant awards, prior approval is delegated to the Governor (please confirm the award terms and conditions).
200.440	Exchange rates	Necessary when the change results in the need for additional Federal funding, or the increased costs result in the need to significantly reduce the scope of the project.
200.441	Fines, penalties, damages, and other settlements	Expected to incur costs resulting from violations of, alleged violations of, or failure to comply with Federal, state, tribal, local, or foreign laws and regulations, are unallowable, except when incurred **as a result of compliance** with specific provisions.
200.442	Fundraising and investment management costs	Expected to incur fundraising costs for the purpose of meeting Federal program objectives.
200.445	Goods or services for personal use	Expected to incur 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	To pay for insurance for risk of loss or damage to Federal Government property are unallowable except to the extent that the Federal awarding agency has specifically required or approved such costs. (200.447(b)(2)).
200.455	Organization costs	Costs such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselors, whether or not employees of the recipient/subrecipient in connection with the establishment or reorganization of an organization
200.458	Pre-award costs	The need to incur allowable expenses prior to the effective date of the Federal award date, only to the extent that they would have been allowed if incurred after the date of the Federal award.

Citation	Item	Condition Needed for Prior Approval
200.462	Rearrangement and reconversion costs	Expected to incur cost of normal and ordinary rearrangement or alteration of facilities charged as direct costs.
200.475	Travel costs	• Travel cost of officials that are covered as general costs of government (200.444). • Travel costs for dependents of duration of six months or more (200.475(c)(2)).
Appendix III, Section C.5	Negotiated fixed rates and carry-forward provisions	Changes to carry-forward provision for indirect costs.
2 CFR Part 2900	Entertainment and prizes	Must have a specific and direct programmatic purpose and is included in a Federal award.

RESOURCE E: PERFORMANCE REPORTS & SYSTEMS

Purpose:

To help GM staff identify the various required performance reports and systems used across ETA's programs. The most commonly used reports are the DOL-only Participant Individual Record Layout (PIRL), Quarterly Narrative Reports (QNRs), Quarterly Performance Reports (QPRs), and Annual Performance Reports (APRs). These reports are entered either into WIPS or GPMS.

Please see: TEGL 23-19, Change 1 and 2; Indicator 2.e.1: Performance Reporting, and Indicator 2.e.3: Data Validation

Key:

- ▶ **CP** – Community Projects
- ▶ **WP ES** – Wagner Peyser Employment Services
- ▶ **H-1B** – Temporary Non-immigrant Visa Program
- ▶ **INAP** – Indian and Native American Programs
- ▶ **MSFW** – Migrant Seasonal Farmworkers
- ▶ **NDWG –** National Dislocated Worker Grants
- ▶ **NFJP** – National Farmworker Jobs Program
- ▶ **REO** – Reentry Employment Opportunities
- ▶ **SCC** – Strengthening Community Colleges Training Program
- ▶ **SCSEP** – Senior Community Service Employment Program
- ▶ **TAA** – Trade Adjustment Assistance
- ▶ **WIOA** – Workforce Innovation and Opportunity Act (Adult, Dislocated Worker, and Youth)
- ▶ **WORC** – Work Opportunity for Rural Communities

Program	System name	DOL PIRL ETA – 9172 Required	QPR ETA – 9173 Required	QPN/QNR ETA – 9179 Required
Apprenticeship	WIPS	Yes	No	Yes
Community Projects	WIPS	Yes	Yes	Yes
WP–ES	WIPS	Yes	Yes	No
H-1B	WIPS	Yes	Yes	Yes
INAP (Adult/Youth)	GPMS	Yes	Yes	No
Job Corps	WIPS	Yes	Yes	No
MSFW – Monitor Advocate	WIPS	No	Subset of ES	No
NFJP – Career Services and Training	WIPS	Yes	Yes	Yes
NFJP – Housing	WIPS	No	No[1]	Yes
REO (Adult/Youth)	WIPS	Yes	Yes	No
SCC	WIPS	Yes	No	Yes
SCSEP	GPMS	Yes	Yes	No
TAA	WIPS	Yes	Yes	No
WIOA NDWG	WIPS	Yes	Yes	Yes
WIOA Title I (Adult/DW/Youth)	WIPS	Yes	Yes	No
WORC	WIPS	No	Yes	Yes
YouthBuild	WIPS	Yes	Yes	No

[1] For their QPR, they use the NFJP Career Services and Training.

WIOA-Specific Reports

There are some reports that are WIOA specific, and thus were not included in the chart above. These reports are the following: WIOA Annual Statewide Performance Narrative, WIOA Annual Performance Report ETA-9169, WIOA Joint PIRL ETA-9170, Eligible Training Provider Performance Report ETA-9171, and the Pay-for-Performance Report ETA-9174.

Workforce Integrated Performance System (WIPS)

WIPS is the mechanism through which states and grant recipients submit the PIRL files to ETA. WIPS is used by ETA's workforce employment and training programs to better align reporting mechanisms and performance definitions, while at the same time streamlining reporting for grant recipients that operate more than one program. The data is used by Congress, ETA, the Office of Policy Development and Research (OPDR), and other Program Offices to track program performance, provide program improvements, identify problems or issues and corrective actions, and update procedures.

Programs reporting into WIPS: WIOA, TAA, NDWG, RESEA, NFJP, REO, YB, Community Projects, H-1B Skills Training Grants, Job Corps, MSFW Monitor Advocate, Apprenticeship, SCC, and WORC.

Participant Individual Record Layout (PIRL)

The PIRL is a collection of individual records, each of which contains information about an individual participant's characteristics, services received, and outcomes. It is a data layout that provides the framework for WIOA and the non-core programs to ensure consistent and comparable data collection and reporting. GM staff should note that the programs under WIPS and the PIRL do not all align. This is because MSFW Monitor Advocate and WORC submit their data into WIPS but are **not** required to submit the DOL-PIRL 9172 as noted in the chart above.

Programs reporting into WIPS that require the PIRL: WIOA, TAA, NDWG, NFJP, REO, YB, Community Projects, H-1B Skills Training Grants, Job Corps, and Apprenticeship.

Grantee Performance Management System (GPMS)

GPMS is a modernized web-based system designed to track performance for the WIOA-funded programs INAP and SCSEP. GPMS now feeds its data into WIPS so that all tracking and reporting can be housed in one place.

Programs covered by GPMS and the PIRL: INAP and SCSEP.

Unemployment Insurance Performs (UI Performs)

UI Performs is the unemployment insurance program's performance management system and includes two performance tracking categories.

The first category is Core Measures, which encompasses oversight on key performance areas representative of the health of the entire unemployment insurance system. The Core Measures monitor key activities which have uniform national Acceptable Levels of Performance (ALPs).

In the second category, DOL, the federal partner in the Federal-State partnership, also maintains Management Information data to facilitate analysis of performance and to assist in planning corrective activities, when necessary. Management Information tracks state performance on subsets of Core Measures and on ancillary activities such as interstate and federal programs.

Programs Covered: UI and RESEA.

State Wage Interchange System (SWIS)

Although not a performance system, SWIS is a mechanism developed to facilitate the interstate exchange of Wage Data between state agencies for the purpose of assessing and reporting on state and local performance for WIOA programs.

Programs Covered: WIOA.

Common Reporting Information System (CRIS)

Not a performance system, CRIS enables ETA's national program grant recipients' access to aggregate wage information through SWIS to calculate performance measure outcomes. Since national and discretionary grant recipients (i.e., non-state entities) cannot directly participate in the exchange of wage records, CRIS accesses wage records through SWIS.

Programs Covered: Apprenticeship, INAP, SCSEP, NFJP, Job Corps, YouthBuild, REO, H-1B, NDWG, and Strengthening Community College Grants.

Helpful Websites:

ETA Performance

This website assists stakeholders and the public in understanding how the workforce system measures, reports, and evaluates performance under WIOA. It also provides resources to help grant recipients and stakeholders access information on WIOA results, reporting, and guidance. https://www.dol.gov/agencies/eta/performance

WorkforceGPS Performance Reporting

This community serves as a centralized source of information for the performance reporting-related policies and resources for ETA's employment and training programs. https://performancereporting.workforcegps.org/

State Grants Workforce Data Quality Initiative (WDQI)

This website links earnings and workforce data with education data to support state program administration and evaluation. These grants support the development and expansion of longitudinal databases and enhance their ability to share performance data. The databases include information on programs that provide training and employment services and obtain similar information in the service delivery process.
https://www.dol.gov/agencies/eta/performance/wdqi

RESOURCE F: SWCAP AND NICRA RESOURCES

Purpose:

To provide a list of resources for State-wide Cost Allocation Plans (SWCAPs) (also known as Central Service Cost Allocation Plans (CSCAPs)) and 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 cognizant 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 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.

Some states may be governed by both CAPs and NICRAs. A SWCAP/ CSCAP is the documentation identifying, accumulating, and allocating or developing billing rates based on the allowable cost of services provided by a state, local government, or Indican tribe on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users. For example, a governor may have a CSCAP and the agency managing the UI or ES programs may have a SWCAP for its own agency. The agency would be required where applicable to charge and allocate costs from both a CSCAP and SWCAP. In another example, a NICRA may be charged and allocated in addition to a SWCAP.

Once designated as the cognizant agency for indirect costs, the Federal agency must remain so for 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 and Indian Tribes are both defined in the Uniform Guidance at 2 CFR 200.1

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/agencies/oasam/centers-offices/office-of-the-senior-procurement-executive/cost-price-determination-division/state-local-government

DOL DCD's A Guide for Indirect Cost Rate Determination – Applicable to Nonprofit and Commercial Organizations:

https://www.dol.gov/agencies/oasam/centers-offices/office-of-the-senior-procurement-executive/cost-price-determination-division/guide-for-indirect-cost-rate-determination-for-nonprofit

# RESOURCE G: SINGLE AUDIT REPORT FRAMEWORK

Purpose

This resource describes components of a single audit report, types of findings, the opinions that may be expressed on various reports, and major and minor program determinations. Use this resource when reviewing Indicator 3.h.1: Audit Process.

Background

Single audits are performed by an independent CPA. The auditor renders an **opinion** over the following reports 1, 1a, 3, and 3a (as described below). These reports may also be part of a Statewide Audit Report or an Annual Comprehensive Financial Report (ACFR) previously known as the Annual Comprehensive Financial Report (ACFR). More information on the auditing process can be found in 2 CFR 200 Subpart F and 2 CFR Part 2900.

Audit Framework

The Audit Framework is depicted below.
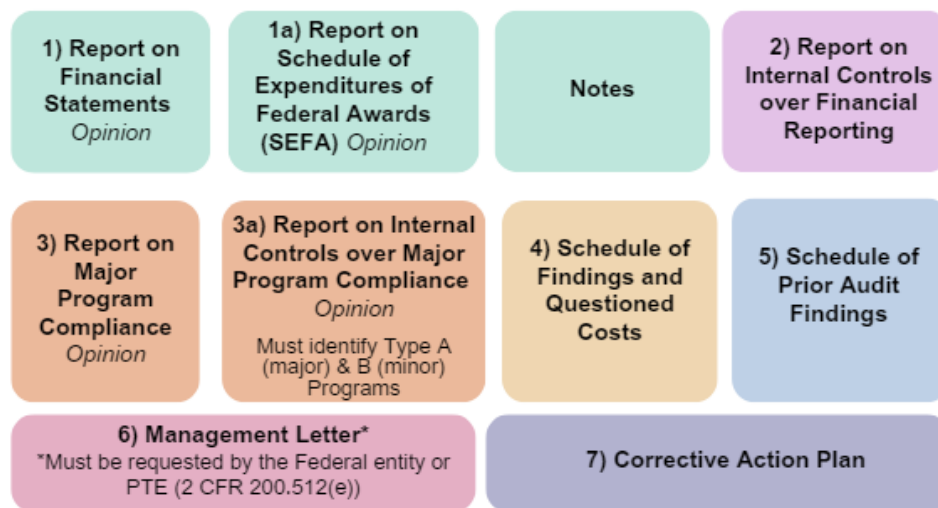
Types of Findings

Audit Finding

An audit finding are deficiencies which the auditor is required by 2 CFR 200.516(a) to report in the schedule of findings and questioned costs (2 CFR 200.1). Depending on the severity of a finding, it may be classified as either a significant deficiency or material weakness.

Significant Deficiency

A significant deficiency is a control deficiency, or combination of control deficiencies, that **adversely** affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that **is more than inconsequential** will not be prevented or detected.

Material Weakness

A material weakness is a **significant deficiency**, or combination of significant deficiencies, that results in more than a remote likelihood that **material noncompliance** with a type of compliance requirement of a Federal program will not be prevented or detected.

Opinions on Financial Statements and Internal Controls

The following four opinions are ranked from most desirable (Unmodified/ Unqualified Opinion) to least desirable opinion (Disclaimer of Opinion). Note that these definitions are taken from the American Institute of Certified Public Accountants (AICPA).

(1) Unmodified/ Unqualified Opinion

An unqualified opinion states that the financial statements **are presented fairly**, in material respects, the financial position, results of operations, and cash flows of the entity **in conformity with GAAP**. However, in some instances, the standard unqualified report may be modified without affecting the unqualified opinion issued on the financial statements.

(2) Qualified Opinion

A qualified opinion is issued when the auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are **material but not pervasive** to the financial statements. This opinion may also be expressed if the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, but the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive. Qualified opinions are issued, in some cases, when: (1) a scope limitation, or (2) a departure from GAAP exists.

(3) Adverse Opinion

When issuing an adverse opinion, the auditor should express an adverse opinion when, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are both **material and pervasive** to the financial statements.

(4) Disclaimer of Opinion

A disclaimer of opinion is issued when the auditor **is unable to form an opinion** on an entity's financial statements. A disclaimer may be issued in cases when: (1) the auditor is not independent with respect to the entity under audit, (2) a material scope limitation exists, or (3) a significant uncertainty exists.

Major vs. Minor Program

The auditor must use a risk-based approach to determine which Federal programs are major programs to be contained in the auditor's scope of testing. This risk-based approach must include consideration of current and prior audit experience, oversight by Federal agencies and pass-through entities, and the inherent risk of the Federal program. Some ETA programs or grants may not be part of the auditor's testing or field work if deemed a minor program.

Step 1: Type A (major) programs and Type B (minor) programs are distinguished by a monetary threshold listed a 2 CFR 200.518.

Step 2: The auditor must identify Type A programs which are low risk.

Step 3: The auditor must identify Type B programs which are high-risk using professional judgment and the criteria in 2 CFR 200.519.

Step 4: At a minimum, the auditor must audit <u>ALL</u> the following as major programs:

> (1) All Type A programs not identified as low risk under step two.
> (2) All Type B programs identified as high-risk under step three.
> (3) Such additional programs as may be necessary to comply with the percentage of coverage.

TOOL A: SMART RISK ASSESSMENT SCORECARD

Purpose:

To assist GM staff in identifying areas that are "Low Risk", "Medium Risk" or "High Risk" at the grant recipient organization so they may target those areas on their monitoring review or to prioritize staff and travel resources on entities deemed medium or high risk. Regardless of the size of the award recipient's organization or their familiarity with managing a Federal award, there are always risks that will expose an award recipient's grant processes to an outcome that is not conducive for operations. This Risk Assessment Scorecard groups risk factors based on the CMG's Core Activities (CCA), Core Activities 1, 2, and 3. Use this resource when reviewing Indicator 2.f.2: Pre-Award Risk Analysis.

Instructions:

This scorecard contains some of GRMM's 27 specific risk factors. Each risk factor below can be categorized as low risk, medium risk, or high risk. Low risk is scored at 1-point, medium risk is 2-points, and high risk is 3-points. Only one score can be given to each factor. Based on **current grant operations** and through documents collected, interviews conducted with grant staff, etc., GM staff must assess the grant recipient against each of the risk factors below and place a score next to the statement that best matches or describes the recipient's operations. GM staff may focus their review on those risk factors that are scored high.

Note: Operations and functions change constantly and completing this scorecard prior to the monitoring event may result in a different score than was generated during the onboarding process.

SMART Risk Assessment Scorecard

Award Recipient's Name: _____

Period of Review: _____

Last Review: _____

Last Single Audit: _____

Grant Number: _____

Grant Amount: _____

SMART Risk Assessment Scorecard Key:

Low Risk = 1 point

Medium Risk = 2 points

High Risk = 3 points

RA #	Risk Factor and CCA	Low Risk	1 Point	Medium Risk	2 Points	High Risk	3 Points	Score
1	Compliance CCA 1,2,3	Plan and/or operations include no identified issues of non-compliance with statutes or regulations		Plan and/or operations include two or less identified issues of non-compliance with statutes or regulations that adversely impact the performance of the grant		Plan and/or operations include three or more identified issues of non-compliance with statutes or regulations that will result in drawdown restrictions		
2	Written Procedures CCA 1,2,3	The entity has demonstrated application of standard operating procedures for effective management of grant financial and programmatic activities consistent with 2 CFR 200 and 2 CFR Part 2900		The entity needs to make minor updates or modifications to enhance existing standard operating procedures		The entity has no or inadequate written standard operating procedures		
3	Corrective Action CCA 1,2,3	The entity has corrective action protocols in place and are effective in addressing program, performance, or financial concerns		The entity has limited corrective action protocols in place; they do not address program, performance, or financial concerns		The entity has no corrective action protocols in place; they are not initiated as necessary to address program, performance, or financial concerns		
4	MIS Operations CCA 1,2,3	There is no adverse impact on the capacity of facilities or IT platforms (can include Wi-Fi connectivity, email, and financial and reporting systems)		There is an adverse impact on the capacity of facilities and IT platforms, but they are still functioning		There is an adverse impact on the capacity of facilities and IT platforms deeming them both inoperable		

CCA All Subtotals:

RA #	Risk Factor and CCA	Low Risk	1 Point	Medium Risk	2 Points	High Risk	3 Points	Score
5	Deliverables and Targets CCA 1	The entity has an approved performance plan or is operationally on-target to meet all program/financial deliverables		There is no medium risk factor for this indicator		The entity has an unapproved performance plan or operationally is not on target to meet 1 or more program/financial deliverables		
6	Organization Experience CCA 1	The entity has five or more years of experience managing Federal funds		The entity has two to four years of experience in managing funds of a Federal grant or cooperative agreement		The entity is new or has less than two years of experience managing Federal funds		
7	Leadership Experience CCA 1	Entity has no vacancies and key leadership positions are filled by experienced individuals		Entity has one, two, or three vacancies in key leadership positions		Entity has numerous vacancies and key leadership positions are filled by individuals with limited grant experience.		

RA #	Risk Factor and CCA	Low Risk	1 Point	Medium Risk	2 Points	High Risk	3 Points	Score
8	Past Performance CCA 1	Entity's past performance shows achievement of program outcomes similar in scope and scale to the planned project's performance measures and projected goals		Entity's past performance shows limited achievement of program outcomes similar in scope and scale to the planned project's performance measures and projected goals		The entity has no compatible past performance achieving program outcomes similar in scope and scale to the planned project's performance measures and projected goals		
9	Size of the Award CCA 1	Less than $2 million		$2 million to $5 million		Over $5 million grant award		
10	Degree of Integration CCA 1	There are few complex integration requirements; activities to specify integration are included in the project management plan		There is adequate understanding and planning for integration		There are highly complex or numerous integration requirements and insufficient evidence of integration planning of required activities.		
11	Qualitative Nature of the Grant CCA 1	The grant project has been tried before, is not unique, and is not leading edge		There is no medium risk statement for this indicator		The grant project is untried, unique, and/or leading edge		
12	Share of Labor Funding CCA 1	The entity is a unit of State/local government, or Labor share of funding is greater than 50 percent of the total		Entity is not a unit of State/local government; or Labor share of funding is 50 to 70 percent of total.		Entity is not a unit of State/local government; and Labor share of funding exceeds 70 percent of total.		
13	Number of Federal Grants CCA 1	The recipient is managing only this grant.		There is no medium risk statement for this indicator		The recipient organization is managing more than two grants at the same time.		

| | | | | | | | **CCA 1 Subtotal:** | |

RA #	Risk Factor and CCA	Low Risk	1 Point	Medium Risk	2 Points	High Risk	3 Points	Score
14	Staff Experience CCA 2	The entity has prior organizational and/or staff experience and subject matter expertise serving the target population		The entity has prior Federal grant or staff experience and subject matter expertise serving the focus area of the grant		The entity has no Federal grant organizational or staff experience or no subject matter expertise serving the focus area of the grant		
15	Budget Controls CCA 2	The entity employs budget control mechanisms; information is routinely shared with program staff		The entity has ineffective budget control mechanisms; information is inconsistently shared with program staff		The entity does not have budget control mechanisms; information is not shared with program staff		

RA #	Risk Factor and CCA	Low Risk	1 Point	Medium Risk	2 Points	High Risk	3 Points	Score
16	Performance Reporting CCA 2	ETA performance reports filed accurately and timely; or satisfactory fiscal reporting in a prior period.		Intermittent instances of DOL performance reports filed with errors or untimely.		Persistent pattern of DOL performance reports filed with errors or untimely.		
17	Complaints or Incident Reports CCA 2	No active complaints or incident reports		The entity had a complaint or incident in the last three years that resulted in an investigation		The entity has a current complaint or active OIG investigation		
18	Time & Effort Tracking CCA 2	The entity has a system to effectively track staff time spent on projects by grant		The entity has an ineffective system to track staff time spent on projects by grant		The entity does not have a system to track staff time spent on projects by grant		

CCA 2 Subtotal:

RA #	Risk Factor and CCA	Low Risk	1 Point	Medium Risk	2 Points	High Risk	3 Points	Score
19	Internal Controls CCA 3	The entity has an effective internal control system that provides reasonable assurance for safeguarding assets, reliability of financial information, and compliance with laws and regulations		Major internal control issues have been identified or the entity has not demonstrated adequate internal controls for safeguarding assets, reliability of financial information, and compliance with laws and regulations		The entity does not have an effective internal control system to provide reasonable assurance for safeguarding assets, reliability of financial information, and compliance with laws and regulations		
20	Accounting System CCA 3	The accounting system effectively records receipts, expenditures, and obligations by grant		The accounting system has limited capacity to record receipts, expenses, and obligations by grant		The accounting system does not record receipts, expenses, and obligations by grant		
21	Subrecipient and Contract Oversight CCA 3	The entity does not have subrecipient(s) or provides sufficient evidence of oversight		The entity has a subrecipient and has little evidence of preventing fraud, waste, or abuse		The entity has a subrecipient with no evidence of oversight and monitoring of the subrecipient		
22	Pattern of Prior Monitoring Findings and/or Audit Findings CCA 3	No unresolved monitoring findings and/or audit findings for the past 3 years		No evidence of progress toward resolving monitoring findings and/or audit findings in the prior years		Evidence of multiple unresolved monitoring findings and/or audit findings for prior years		

RA #	Risk Factor and CCA	Low Risk	1 Point	Medium Risk	2 Points	High Risk	3 Points	Score
23	Legal Issues CCA 3	Not aware of any legal issues/investigations involving staff that would affect fiscal results; no lawsuits have been filed against the entity		One or more staff has been jailed or convicted of a felony but was more than 3 years ago; lawsuits identified but are minor in nature		One or more staff has been jailed, convicted of a felony, or are currently under criminal investigation; lawsuits identified and are considered a substantial audit risk		
24	Cost Allocation and Indirect Cost Rate CCA 3	Entity has an approved, or provisional current indirect cost rate agreement or cost allocation plan		The entity has requested and is in the process of executing an indirect cost rate agreement or cost allocation plan; the entity has documentation supporting that the application is in the process		The entity does not have an approved, current indirect cost rate or cost allocation plan		
25	Financial Stability CCA 3	Entity pays bills timely, and no bankruptcy has been filed		Financial stability issues have been identified with the entity previously		Entity has incurred late fees in the last 60 days or bankruptcy has been filed		
26	Financial Reporting CCA 3	SF-425 or ETA-9130 reports filed accurately and timely; or evidence or satisfactory fiscal reporting in a prior period		Intermittent instances of SF-425 or ETA-9130 filed with errors or untimely		A persistent pattern of SF-425 or ETA-9130 filed with errors or untimely		
27	Continuing Operations CCA 3	The disaster will have minimal impact on the enrollment and management of participants and staff involvement; Continuity of Operations Plans (COOP) are adequate and in place		The disaster will temporarily impact the enrollment and management of participants and staff operations for a period not to exceed six months; a COOP is in place but lacks provisions for certain key areas		The disaster has halted enrollment and management of participants, staff operations have ceased and a date to restart services is yet to be determined; no COOP is in place		

CCA 3 Subtotal:

TOTAL SCORE

CCA All Subtotal –	
CCA 1 Subtotal –	
CCA 2 Subtotal –	
CCA 3 Subtotal –	
TOTAL:	

Low Risk 27 – 45 points	
Medium Risk 46 – 65 points	
High Risk Above 65 points	

TOOL B: DOCUMENTS, POLICIES, AND PROCEDURES FOR REQUEST AND REVIEW

Purpose:

To assist GM staff in ensuring the recipient has sound policies and procedures that are current, in writing, and actively in use when administering the program or project. Policies and procedures are distinct from each other and should not be conflated as one and the same. **Policies** establish what is expected of staff in an organization and set some parameters for decision making while leaving room for flexibility. **Procedures**, on the other hand, are used to turn policies into action steps by providing step-by-step instructions for specific routine tasks that may include a specific checklist or process with steps to follow. **Documents** listed are important for the management of the grant and should also be examined.

See Indicator 3.a.1 Effectiveness and Efficiency

Instructions:

In the first column below mark an "X" next to each document, policy, or procedure that you are requesting from the recipient prior to an on-site monitoring visit or EDMR. Underneath each subsection header in the middle column is a notes area to record actions to follow up. In the last column, mark "**Y**" or "**N**" for all documents, policies, and procedures reviewed.

General

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Statement of Work / State Plan / Local Plan	
	Grant Agreement	
	Organizational Chart	
	Technical Assistance History if available	
	Compliance Assistance History if available	
	Code of Conduct Policy	
	Conflict of Interest Statements – Current and Signed	
	Negotiated or Approved Performance Measures	
	Staffing Plan by Program	
	Disaster, Recovery, and Continuity Plans	

General Notes:

Governance/Board

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Bylaws	
	Nomination Process	
	Members List	
	Conflict of Interest Policy (including Firewalls)	
	Affiliations	
	Minutes and Agenda	
	Chief Elected Official Agreement – Current and if required	

Governance/Board Notes:

Partners and One-Stop Partners

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Certification	
	MOU – Individual or Umbrella	
	IFA – Individual or Umbrella	
	Modifications/Amendments Policy for MOU and IFA	

Partners and One-Stop Partners Notes:

Employees/Staff

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Employees Handbook	
	Fringe Benefit Package	
	Bonuses Policy	

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Payroll and Time Distribution	
	Salary and Bonus Limitations	
	Position Descriptions	
	Travel Policy	
	Travel Vouchers	

Employees/Staff Notes:

Employer/Business Services

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Services Provided	
	Management Policy	
	Outreach	
	Engagement	
	Job Orders	
	Customized Training	

Employer/Business Services Notes:

Outreach

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Plans	
	Reports	
	Agricultural Outreach Plan (MSFW)	
	Daily Activity Logs (MSFW)	

Outreach Notes:

Participant Services

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Policies and Procedures for Additional Assistance/Serious Barriers to Employment	
	Eligibility, Enrollment, Exit, and Follow-up Policy and Procedures	
	Participant case files/records	
	LMI Information on career pathways	
	Supportive Services	
	Incentives Policy	
	Stipends Policy	
	Meals Policy and Procedures	
	Training – Remedial	
	Training – Work-Based (WE and OJT) Learning	
	Training – ETP	
	Training – Customized or Individual Training Accounts	
	Travel Mileage Policy	
	Veteran's Initiatives and Preference Policy	
	Youth – Eligibility and Policy Guidance	

Participant Notes:

Monitoring

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Reports	
	Results & Resolution	
	Schedule	
	Tools and Working Papers	
	Appeals – Past and Current (if applicable)	
	Hearing History	

Monitoring Notes:

Closeout

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Policy for Submitting Full Standardized Grant Closeout Package	
	Policy for Closing Out Contracts	

Closeout Notes:

Budget Management

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Controls	
	Current and Approved Amendments	
	Amendments and Approval Policy	
	Extensions	

Budget Management Notes:

Property Management

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Management Policy and Procedures	
	Inventory Documents – Physical and Capital	
	Current Inventory	
	Reconciliation	
	Custody Logs	
	Disposition Logs	
	Intellectual Property Policy & Rights	
	Open Licensing Policy	

Property Management Notes:

Procurement/Purchasing

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Policies and Procedures	
	Micro-Purchase (< $10,000)	
	Simplified Acquisition ($10,000 – $250,000)	
	Sealed Bids (formal advertising such as IFBs)	
	Competitive Proposals (including requests for proposals)	
	Non-Competitive Proposals (Sole Source)	

Procurement/Purchasing Notes:

Contracts & Agreements

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Procurement History Files	
	Proof of Services and Consultation	
	SAM Verification	
	Not on the "Do Not Pay" List	
	Sole Source	
	Youth Service Providers	
	Leases	
	Eligible Training Provider Agreement(s)	

Contracts & Agreement Notes:

Subrecipients

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Audits	
	Audit Resolution	
	PTE Review Instrument	
	Schedule	
	Activities	
	Monitoring Reports	
	Monitoring Resolution and Current Status	

Subrecipients Notes:

Data/MIS

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Management Quality	
	Internal Reporting	
	Systems	
	Tools	
	Analysis	
	Data Flow Chart	
	MIS Security and Access Roles	
	Data Validation Process and Results	
	PII Protections Policy	

Data/MIS Notes:

Records

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Retention Policy and Procedures	
	Custody/Ownership	
	Schedule for Records	
	Security Policy	
	Transfer Policy	

Records Notes:

Civil Rights – Grievances & Complaints

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Policies (including any Diversity, Equity, Inclusion, and Accessibility (DEIA))	

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Forms	
	Resolutions	
	Appeals, Appeal Process, and Time Frames	
	Complaints – Program, Procurement, Other	
	Grievances	
	Incident Reports	
	Job Service Complaint Logs (MSFW)	

Civil Rights/Grievances/Complaints Notes:

Accounting

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Chart of Accounts	
	Accounting System Manual	
	Recording and Posting Policies	
	Reconciling and Closing Policies	

Accounting Notes:

Reporting

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Federal	
	State	
	Financial – ETA-9130s and SF-425s	

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Submission, Certification, and DataValidation Process	
	Management Policy	
	Systems	
	Tools	
	Analysis Policy and Procedures	
	Progress (QNRs)	
	Performance (QPRs) & Metrics	

Reporting Notes:

Cash/Payment Management

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Bank Accounts	
	Policy and Inventory for Cash Equivalent Items – Debit, Gas, Gift cards	
	Policy for EFT and Reimbursements	
	Reconciliation – Petty Cash, Cash-Equivalent Items	
	Treasury and State Agreement (TSA)	
	Improper Payments	
	Cash Draw/Request Reports	
	Refund, Escheatment (unclaimed property) Policy	
	Debt Collection Policy and Procedures	

Cash/Payment Management Notes:

Cost-Sharing (Match), Leveraged Resources, Program Income

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Cost-Sharing	
	Leveraged Resources	
	Receipt and Expenditure documents	
	Supporting Documentation	

Cost-Sharing, Leveraged Resources, Program Income Notes:

Cost Allocation

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	NICRA	
	Documentation of Indirect Costs	
	Cost Allocation Plan	
	Allocation of Costs Using Actual Cost Pools – Current Period	

Cost Allocation Notes:

Audits/Audit Resolution

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Resolution Plan	
	Appeals Process	
	Hearing Records	
	Single Audit Reports – Last 3 fiscal years	

Audit/Audit Resolution Notes:

Waivers

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Usage	
	Tracking Policy and Procedures	

Waivers Notes:

Evaluations

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Research Reports	
	Research Data	
	Proposal for Evaluations within the State Plan	
	Project Design and Coordination	
	Policy and Protocol for Running the Evaluation	
	Implementation Plan Using Evaluation or Research Results	

Evaluations Notes:

Continuous Improvement

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Customer Feedback	
	Survey Results	
	Employer Feedback	
	Reports	
	Internal Research	

Continuous Improvement Notes:

ES/NFJP/MSFW

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	General Services	
	MSFW Services	
	Agricultural Recruitment Services	
	Agricultural Job Orders List	
	Recruitment and Outreach	
	Language Proficiency Services	
	Local Area Best Practices for Serving MSFWs	
	MSFW Applicant List	
	Equity and Minimum Service Level Indicators	
	Agricultural LMI	
	Discontinuation of Services	
	Employer Appeals	

ES/NFJP/MSFW Notes:

Rapid Response

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	WARN Notices	
	Interventions	
	Dates	
	Funds Allotted	
	Funds Obligated	
	Tools Used	

Rapid Response Notes:

RESEA

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	Case Files	
	Training and Reference Guides/Materials	
	Customer Flow	
	Referrals/Connections	
	Training Conducted	
	Tools Used	
	Reports	
	Customer Feedback	
	Models	

RESEA Notes:

LMI/WIGS

Requested X	Documents, Policies, and Procedures (DPP) Checklist	Reviewed (Y) Yes (N) No
	WIGS Specific Activities	
	Current LMI studies and publications	
	WIGS Specific Accomplishments	
	Trainings and Consultations Provided (PY)	
	Website Usage Report	
	Level of Demand Report	
	Economic Studies and Analyses Performed	
	Publications Produced (PY) and Samples	

LMI/WIGS Notes

TOOL C: 4C'S, FIVE WHYS TECHNIQUE, AND ROOT CAUSE

Purpose:

This tool should be used to determine the root cause and corrective action of a problem through questioning of recipient staff. It should help identify any problems/issues that GM staff need to explore further with the grant recipient to eliminate potential/current risks. Please request documentation before the monitoring event to help prepare questions to be asked ahead of time. The end goal is for GM staff to determine if there is a problem at hand, and then bring the recipient back into compliance using the techniques and approaches outlined below.

Instructions:

Using the Five Whys techniques to reach the root cause and identifying the 4 Cs in every finding, a GM staff can build an effective monitoring report. Fill out the charts to determine the root cause and corrective action of a problem the recipient is having.

Questioning Techniques:

When monitoring, it is important to start a dialogue with the recipient regarding any potential or ongoing problems that can leave the recipient at a higher level of risk. The end goal of these techniques is to help GM staff find the root cause of the problem.

This can be done through the following questioning techniques:

1. **Open-ended Questions** – Questions that can't be answered 'yes' or 'no', but instead require the recipient staff to elaborate in their own words.

2. **Probing Questions** – Questions designed to encourage deeper, more critical thought about a specific problem/issue.

3. **Reflective Questions** – Questions that promote a non-judgmental process and encourage self-directed learning and problem solving by recipient staff.

4. **5 Whys** – Named for number of iterations usually needed to resolve the problem, the important concept is the iterative questioning that may include techniques above. Using the table below, GM staff will see that from top to bottom as "Why" is continually asked about the problem, that they will move toward a specific underlying problem and, ultimately, to the root cause.

THE 5 WHYS TECHNIQUE TO A ROOT CAUSE

	Why did this specific issue occur?	Entity Response	Why did this problem go undetected?
Problem Description			
1st Why?			
2nd Why?			
3rd Why?			
4th Why?			
5th Why?			

The 4Cs of a Finding:

Following the questioning techniques including the usage of the Five Whys, it is time to process and use all the information collected to write the finding for the monitoring report, if applicable. The goal of GM staff is to address the root cause of the identified problem above to then eliminate risk and prevent the problem(s) from happening again. The best practice for developing written findings is known as the 4 Cs Approach: Condition, Cause, Criteria, and Corrective Action.

4Cs OF A FINDING

CONDITION – Using the space below, write a statement describing the recipient's violation of the law, regulations, Uniform Guidance, national policies, etc. that has occurred.

CAUSE – Using the space below, write the reason the condition occurred. This is what the recipient was or was not doing that resulted in the condition.

CRITERIA – Using the space below, identify each requirement that has been violated with the accompanying citation. These are the legal citations supporting the condition.

CORRECTIVE ACTION – Using the space below, identify the action(s) that must be put into place to rectify the cause, and in turn, the condition. This will ensure limited risk moving forward and help the recipient be in compliance.

TOOL D: SUMMARY OF RESULTS / GM STAFF NOTES

Purpose:

This tool may be used during the exit conference, when updating a supervisor, and when drafting the monitoring report during post-monitoring activities.

Instructions:

Summarize any issues identified during the monitoring event. These notes should ensure that GM staff can draft the monitoring report to address all compliance findings, areas of concern, promising practices, and/or observations identified.

Follow-Up Items

Findings

Areas of Concern

Promising Practices

Other Observations

TOOL E: COMPLIANCE DETERMINATION TOOL

Purpose:

GM staff may use this tool to assist in documenting any issues that need further investigation as well as their discussion with their supervisor after the monitoring review.

Instructions:

For any possible issues identified, conduct further investigation through research, interviews, and/or documentation. If required by a specific law, regulation, guidance, grant agreement, and/or term or condition, identify the associated citation. Document key-takeaways from interviews with grant staff and if applicable, request additional documentation to verify compliance or non-compliance. Document the professional judgment used to reach a conclusion for each issue in the final column.

Possible Issues (Items to be further investigated)	Citation (Identify the law, regulation, guidance, grant agreement, and/or term or condition)	Interviews & Supporting Documentation (Support compliance or non-compliance)	Conclusion (Finding, Area of Concern, Promising Practice, and/or Opportunities for CA/TA)

TOOL F: MOU & IFA WORKSHEET

Purpose:

This worksheet provides GM staff a framework for determining local area's compliance with the WIOA Memorandum of Understanding (MOU) and Infrastructure Funding Agreement (IFA) requirements. Detailed guidance on this may be found at TEGL 17-16, and a reference guide can be found at Sample MOU and Infrastructure Costs Toolkit on WorkforceGPS. DOL and Department of Education (ED) issued joint guidance on this and it can be found at 34 CFR 361.300 and 34 CFR 463.300.

Instructions:

Complete the table below for each local area reviewed. If there are multiple agreements, complete the table for a sample of partners. Use this worksheet in conjunction with Indicator 1.b.4: One Stop Partnerships.

Local Area: _____

Circle type of MOU: Single Partner | Umbrella – All Partners

All Required Partner(s) Included? (Y/N)

Missing Partners (if any): _____

Additional Partners: _____

MOU Required Elements: 20 CFR 678.500; 20 CFR 678.505; 20 CFR 678.510(b) and (c), 20 CFR 678.755 and 20 CFR 678.760	☐ For Yes

MOU Signatures
1.   Does the MOU contain the signatures of the:
   ▪ LWDB Chair or Executive Director of staff to the Board?
   ▪ Authorized representatives of required one-stop partners?
   ▪ Chief elected official(s)?
   ▪ All additional partners?
	☐
	☐
	☐
	☐

MOU Description
2.   Does the MOU contain descriptions of:
   ▪ The period of performance (beginning and end dates) in which the agreement is effective?
   ▪ The services to be provided through the one-stop delivery system, such as:
      • How the services will be coordinated, allocated, and delivered through the system?
      • The method or means of providing partner access to those services?
      • The frequency of program staff's physical presence in each AJC?
      • How specialized one-stop centers will be implemented, if any?
   ▪ Instructions for modifying or amending MOU procedures?
	☐
	☐
	
	☐
	☐
	☐
	☐
	☐

Referrals & Barriers
3.   Does the MOU contain methods for:
   ▪ Referring individuals between the one-stop operators and partners for appropriate services and activities?
   ▪ Ensuring that the needs of workers, youth, and individuals with barriers to employment, including individuals with disabilities, are addressed in providing access to services?
	
	☐
	
	☐

	⊠ For Yes
Assurances and Consistency	
4. Are there assurances that the MOU will be reviewed not less than once every three-year period to ensure appropriate funding and delivery of services?	☐
5. If the MOU contains any additional terms/provisions, are they consistent with WIOA title I, the authorizing statutes and regulations of one-stop partner programs, and the WIOA regulations?	☐
Infrastructure Funding and Budgets	
6. Does the MOU contain:	
▪ An agreement on the funding of infrastructure costs of the one-stop centers and additional costs of the one-stop delivery system?	☐
▪ A one-stop operating budget(s) identifying the costs of the services and the operating costs of the system?	☐ ☐
▪ An infrastructure funding agreement (IFA) for the infrastructure costs of one-stop centers?	☐
▪ Funding of the shared services and operating costs of the one-stop delivery system?	☐
▪ Any additional costs agreed upon by the one-stop partners, including:	☐
• Applicable career services that must be included; and	☐
• Shared operating costs and shared services that may be included?	
MOU Modifications, Amendments, and Renewal Schedule	
7. Does the MOU:	
▪ Describe the steps the LWDB, CEO, and one-stop partners used to reach consensus on the funding of infrastructure costs and additional costs?	☐
▪ Contain a description of the process to be used during the MOU period when consensus between the partners cannot be reached?	☐ ☐
▪ Describe a periodic modification and review process for the MOU and infrastructure funding agreement?	☐
▪ Assure it will be reviewed and renewed at least every 3 years or when a new CEO is elected?	
Bonus!	
8. Does the state or local area routinely look at https://www.careeronestop.org/LocalHelp/local-help.aspx to ensure the information for their one-stops are up-to-date and accurate?	☐

Infrastructure Funding Agreement Requirements 20 CFR 678.705; 678.715; 678.720; 678.730; 678.740; 678.750; and 678.755	⊠ For Yes
1. Does the IFA specify the period of time in which the IFA is effective (which may be a different time period than the duration of the MOU)?	☐
IFA Budgets	
2. Does the IFA contain an identification of the infrastructure costs budget, including:	
▪ Infrastructure costs in the IFA?	☐
▪ Demonstration of how infrastructure costs are charged to each partner in proportion to its use of the one-stop center and relative benefit received?	☐
▪ Additional costs?	☐

IFA Partners
3. Does the IFA identify:
    ▪ All required, optional or affiliate one-stop partners?
    ▪ CEO(s)?
    ▪ The LWDB participating in the IFA?
	☐
	☐
	☐

IFA Modifications, Amendments, and Renewal Schedule 4. Is there a description of the periodic modification and review process to ensure equitable benefit among one-stop partners? 5. Is there information on the steps the LWDB, CEO(s), and one-stop partners used to reach consensus or the assurance that the Local Area followed the SFM process? 6. Does the IFA have a description of the process to be used among partners to resolve issues related to infrastructure funding during the MOU duration period when consensus cannot be reached?	☐ ☐ ☐

TOOL G: WIOA ADULT AND DW PARTICIPANT FILE REVIEW

Purpose:

This tool is used when reviewing eligibility and services provided to a WIOA Adult and DW participant.

Instructions:

Use this tool when reviewing Indicator 1.e.3: Eligibility/Enrollment and Indicator 2.e.4: Performance Reporting for the PIRL.

This tool is multi-functional as it assists GM staff and Performance Specialists to review a participant case file, the story of services provided to an individual participant. Case files should be clearly laid out so that it provides an accurate picture how participants advance through our workforce and training programs. Case file notes should demonstrate what services were provided and why they were provided. If it's not documented, it didn't happen. This tool looks at eligibility, priority of service, the sequence of service provided, and helps validate certain items of information contained on data fields of the Participant Individual Record Layout (PIRL).

The left column indicates the eligibility requirement or relevant demographic information, the right column includes documents that can be used for data validation. To pass review, at least one validating document should be included in the participant file, unless otherwise indicated. Where applicable, the data element number from the PIRL is listed below the item.

The term "cross-match" refers to a source document that is contained in a MIS System or database that also includes participant data but is not the grant recipient's case management system.

Self-attestation means a written, or electronic/digital declaration of information for a particular data element, signed and dated by the participant. DOL broadly interprets what is considered an electronic/digital signature. Electronic signatures or a submission from the participant such as an email, text, or unique online survey response is considered an electronic signature or verification; it must be participant generated and traceable to the participant. Grant recipients must retain documentation of the self-attestation.

References:

TEGL 19-16 (WIOA Adult and Dislocated Worker program guidance), TEGL 23-19 Change 1 (guidance for data validation), and TEN 19-22 (priorities and policy clarification).

Participant Name:	Identification Number:
Sample Number:	**Date Of Application:**

ADULT OR DW Participant   FEDERAL ACCEPTABLE DOCUMENTATION (only 1 document needed per criteria)
Eligibility

1. Age/Date of Birth
    (PIRL 200)
    (18+ at time of registration)

☐ Driver's License
☐ Baptismal Record
☐ Birth Certificate
☐ DD-214
☐ Report of Military Transfer or Discharge Papers
☐ Federal, State, Local, or Tribal Identification Card
☐ Passport
☐ Hospital Record of Birth
☐ Public Assistance/Social Service Records
☐ School Records or ID Cards
☐ Work Permit
☐ Family Bible
☐ Cross-match with State Agency Records
☐ Justice System Records
☐ Selective Service Registration
☐ Signed Letter from a parent or guardian
☐ Medical Records
☐ Self-Attestation
☐ Other_____
☐ N/A

Data on the approved document matches the data in the system?   ☐**Yes**   ☐**No**

2. Selective Service

    (males 18 years or older only)

☐ Verification from Selective Service System (https://www.sss.gov/verify/)
☐ If 26 or older and not registered, a copy of Status Information Letter with an approved reason for lack of registration (https://www.sss.gov/verify/sil/)
☐ N/A
☐ Other _____

Data on the approved document matches the data in the system?   ☐**Yes**   ☐**No**

Adult Priority of Service – For DW participants, skip and move to DW Priority

3. Eligible Veteran & Spouses
    (PIRL 301)

(Source documentation beyond Self-Attestation for this element is only required at the point in which a decision is made to enroll a covered person over a non-covered person and commit financial resources, which does not include staff time)

*For WIOA Adult Only.

☐ DD-214

☐ Cross-match with Department of Defense Records

☐ Cross-match with Veterans Service Database

☐ Letter from the Veterans Service Database

☐ NGB-22 documenting Title 10 federal active-duty service

☐ Self-Attestation

☐ Other_____

☐ N/A

Data on the approved document matches the data in the system?   ☐**Yes**   ☐**No**

4. Recipient of Public Assistance (PIRL 600, 602, 603, or 604 depending on the public assistance program)

*For WIOA Adult Only.

☐ TANF Eligibility Verification

☐ TANF Period of Benefit Receipt Verification

☐ Referral Transmittal from TANF

☐ Cross-match with TANF Public Assistance Records

☐ SSI/SSDI Receipt of Benefits Verification

☐ Referral Transmittal From SSA

☐ SSI/SSDI Eligibility Verification

☐ Cross-match SSA Benefits

☐ SNAP Eligibility Verification OR
   Benefit Receipt

☐ SNAP Referral Transmittal From

☐ Public Assistance Eligibility OR   Authorization Verification

☐ Copy of Public Assistance Check

☐ Medical Card Showing Cash Grant Status

☐ Self-Attestation

☐ Other_____

☐ N/A

Data on the approved document matches the data in the system?   ☐**Yes**   ☐**No**

5. Low Income Status
   (PIRL 802)

*For WIOA Adult Only.

☐Award Letter from the Veteran's Administration

☐ Pay Stubs

☐ Court Award Letter

☐ Employer Statement/Contact

☐ Housing Authority Verification

☐ SS Benefits

☐ Authorization to Receive Cash Public Assistance

☐ Public Assistance Eligibility Verification

☐ Cross-match with Public Assistance Records
☐ Bank Statements
☐ Compensation Award Letter
☐ Pension Statement
☐ Family or Business Financial Records
☐ Quarterly Estimated Tax for Self-Employed Persons
☐ UI Claim Documents
☐ Copy of Public Assistance Check
☐ Cross-match with Refugee Assistance Records
☐ Cross-match with UI Wage Records
☐ Self-Attestation
☐ Other_____
☐ N/A

Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**

6. Basic Skills Deficient
     (PIRL 804)
*For WIOA Adult Only.
☐ N/A
☐ Assessment Test Results
☐ Other (Please Note)
☐ None

Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**

7. English Language Learner (PIRL 803)

(This should be counted as Basic Skills Deficient for Adult Priority of Service inclusion)

*For WIOA Adult Only.

☐ Assessment Test Results
☐ Applicable Records from Education Institutions (transcripts, or other school documentation)
☐ Intake Application or Enrollment Form
☐ Individual Service Strategy
☐ Case notes
☐ Self-Attestation
☐ Other_____
☐ N/A

Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
DW Priority of Service – For Adult Participants skip and move to Adult Priority of Services

8. Reason for Dislocation: as defined in WIOA Sec. 3(15)

(Note, an individual that is defined as a dislocated worker because they have been terminated or laid off or have received a notice of termination must also be eligible for or have exhausted entitlement to unemployment compensation. Thus, if a participant is enrolled because of job termination, please ensure there is proof of both that termination AND unemployment compensation eligibility. Two documents should, thus, be selected if applicable.)

*For WIOA DW Only.

☐ Verification from Employer
☐ Rapid Response List
☐ Notice of Layoff (e.g., WARN Notice)
☐ Intake Application or Enrollment Form
☐ Cross-match with Public Assistance Records
☐ Copy of Spouse's Layoff Notice
☐ Copy of Spouse's Death Record
☐ Copy of Spouse's Permanent Change of Station (PCS) Orders
☐ Copy of Divorce Records
☐ Copy of Applicable Court Records
☐ Copy of Bank Records
☐ Needs Assessment
☐ Individual Employment Plan
☐ DD-214 (for separating service members)
☐ Cross-match to State UI Database (UI eligibility)
☐ Referral Transmittal by RESEA or WPRS (UI Eligibility)
☐ Evidence of Self-Employed Business Closure (bankruptcy; insurance claims; declaration of disaster; statement from an accountant, bookkeeper, or tax preparer; articles of dissolution) Along with Proof of Self-Employment (license or permits; IRS farms or tax documents; or monthly profit or loss statements)
☐ State or Federal disaster designation
☐ Self-Attestation (unless eligibility for the type of dislocation states otherwise)
☐ Other_____
☐ N/A

Name of Dislocation Employer

*For WIOA DW Only.

Employer listed:

Date listed:

Date of Actual Dislocation
(PIRL 410)

*For WIOA DW Only.

☐ Verification from Employer
☐ Rapid Response List
☐ Notice of Layoff
☐ Public Announcement with Follow-Up Cross-match with UI Database
☐ Self-Attestation
☐ Other (Please note)

Unlikely to Return to Previous Industry or Occupation

*For WIOA DW Only.

☐ Economic/LMI Analysis Showing Industry Decline
☐ Documentation of Disability that Would Preclude Individual from Returning to Industry/Occupation (see below for PIRL 202)
☐ Self-Attestation (unless eligibility for the type of dislocation states otherwise)
☐ Other_____
☐ N/A

Received Rapid Response?   ☐**Yes**   ☐**No**
*For WIOA DW Only.

Data on the approved document matches the data in the system?   ☐**Yes**   ☐**No**

Participant Information – For Adult and DW Participants: Please complete items 9 through 12

Data on the approved document matches the data in the system?   ☐**Yes**   ☐**No**

9.   Individual with a Disability (PIRL 202)

☐ School 504 Records Provided by Student
☐ Assessment Test Results   ☐ School Individualized Education Program (IEP) record
☐ Self-Attestation
☐ Other_____
☐ N/A

Data on the approved document matches the data in the system?   ☐**Yes**   ☐**No**

10. Ex-Offender Status at Program Entry
      (PIRL 801)

☐ Documentation from the Juvenile or Adult Criminal Justice System
☐ Written Statement or Referral Document from a Court or Probation Officer
☐ Referral Transmittal from a Reintegration Agency
☐ Needs Assessment
☐ Individual Service Strategy
☐ Federal Bonding Program Application
☐ Intake Application or Enrollment Form
☐ Self-Attestation
☐ Other_____
☐ N/A

Data on the approved document matches the data in the system?   ☐**Yes**   ☐**No**

11. Unemployment Compensation
      (PIRL 401)
☐ Cross-match to State UI Database
☐ Cross-match to State MIS Database
☐ Referral Transmittal by RESEA or WPRS
☐ Self-Attestation for Code Values 3 and 4 only
☐ Other_____
☐ N/A

Data on the approved document matches the data in the system?   ☐**Yes**   ☐**No**

12. Long-Term Unemployed at Program Entry
   (PIRL 402)
☐ Public Assistance Records
☐ Refugee Assistance Records
☐ Cross-match with Public Assistance Database
☐ Cross-match with UI Database
☐ Self-Attestation
☐ Other_____
☐ N/A

Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**

FEDERAL SERVICES CRITERIA   FEDERAL ACCEPTABLE DOCUMENTATION (only 1 document needed per criteria)
Assessment - For Adult and DW Participants
1. Assessment, interview, or evaluation in file? ☐**Yes**   ☐**No**
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Individualized Employment Plan - For Adult and DW Participants
IEP in participant file? ☐**Yes**   ☐**No** IEP in participant file? ☐**Yes**   ☐**No**(if yes, complete the following questions)
Employment Goal Stated? ☐**Yes**   ☐**No**
Achievement Objectives Stated? ☐**Yes**   ☐**No**
Do planned services relate to assessment results and set goals? ☐**Yes**   ☐**No**
Program Elements - For Adult and DW Participants
Received at least one program element service? ☐**Yes**   ☐**No** (if yes, complete the following questions)
Documentation Used ☐Program intake documents, such as Eligibility determination or program enrollment forms ☐Electronic Records ☐Individual Employment Plan (IEP) ☐ Other_____
Program Entry Date
First Participant Level Service Date
Last Service Date
Exit Date
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Basic Career Services
Received at least one Basic Career Service? ☐**Yes**   ☐**No** (if yes, complete the following questions) ***For WIOA Adult Only.**
Documentation Used ☐Electronic Records ☐Case Notes ☐Cross Match

FEDERAL SERVICES CRITERIA   FEDERAL ACCEPTABLE DOCUMENTATION (only 1 document needed per criteria)
☐ Other_____ ☐ N/A
Date of first Basic Career Service (staff assisted) (PIRL 1001)
Date of most recent Basic Career Service (staff assisted) (PIRL 1003)
Data on the approved document matches the data in the system? ☐Yes   ☐No
Individualized Career Services
Received at least one Individualized Career Service? ☐Yes   ☐No (if yes, complete the following questions) ***For WIOA Adult Only.**
Documentation Used ☐Electronic Records ☐Case Notes ☐Cross Match ☐ Other_____ ☐ N/A
Date of first Individualized Career Service (PIRL 1200)
Date of most recent Individualized Career Service (PIRL 1201)
Data on the approved document matches the data in the system? ☐Yes   ☐No
Training and Work Experience- For Adult and DW Participants
Received Work Experience? ☐Yes   ☐No (If yes, complete the following questions)
Documentation Used: ☐N/A   ☐Electronic Records ☐Case Notes ☐Cross Match ☐ Other_____ ☐ N/A
Type of Work Experience (PIRL 1205) ☐N/A ☐Internship ☐Pre-Apprenticeship ☐Job Shadowing ☐Traditional Job ☐Other (Please note)
Data on the approved document matches the data in the system? ☐Yes   ☐No
If received work experience via a Transitional Job, is there a signed Transitional Job Agreement in the file? (PIRL 1211) ☐Yes   ☐No (If yes, complete the following questions)
Data on the approved document matches the data in the system? ☐Yes   ☐No
Received training via an ITA? (PIRL 1319) ☐Yes   ☐No (If yes, complete the following questions)
Documentation Used: ☐Cross Match ☐Vendor ☐ITA approval, allocation, or activation records ☐Case Notes ☐Signed training agreement or contract ☐Attendance sheets or records ☐ Other_____ ☐ N/A
Eligible Training Provider Name _____ (PIRL 1301) ☐Yes   ☐No (If yes, complete the following questions)

FEDERAL SERVICES CRITERIA   FEDERAL ACCEPTABLE DOCUMENTATION (only 1 document needed per criteria)
Training Start Date (PIRL 1302, 1309, and 1314, as applicable)
Training End Date (PIRL 1308, 1313, 1318, and 1813, as applicable)
Occupational Skills Training Code (PIRL 1306, 1311, 1316, as applicable)
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Received training via a contract? ☐**Yes**   ☐**No** (If yes, complete the following questions)
Documentation Used: ☐Cross Match   ☐Vendor   ☐ITA approval, allocation, or activation records   ☐Case Notes ☐Signed training agreement or contract   ☐Attendance sheets or records   ☐ Other_____ ☐ N/A
Contracted Training Provider Name
Training Start Date (PIRL 1302, 1309, and 1314, as applicable)
Training End Date (PIRL 1308, 1313, 1318, and 1813, as applicable)
Occupational Skills Training Code (PIRL 1306, 1311, 1316, as applicable)
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Received Incumbent Worker Training? (PIRL 307) ☐**Yes**   ☐**No** (If yes, complete the following questions)
Documentation Used: ☐Cross Match   ☐Vendor   ☐ITA approval, allocation, or activation records ☐Case Notes ☐Signed training agreement or contract   ☐Attendance sheets or records   ☐ Other_____ ☐ N/A
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Other Services - **For Adult and DW Participants**
Received Needs-Related Payments? (PIRL 1500) ☐**Yes**   ☐**No** (If yes, complete the following questions)
Documentation Used: ☐Activity Sheets   ☐Sign-in Sheets   ☐Attendance Sheets or records   ☐Vendor Contract ☐Electronic Records   ☐Case Notes   ☐Cross Match   ☐ Other_____ ☐ N/A
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Received Financial Literacy Services (PIRL 1206) ☐**Yes**   ☐**No** (If yes, complete the following questions)
Documentation Used: ☐Activity Sheets   ☐Sign-in Sheets   ☐Attendance Sheets or records   ☐Vendor Contract ☐Electronic Records   ☐Case Notes   ☐Cross Match   ☐ Other_____ ☐ N/A
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Results at Exit - **For Adult and DW Participants**
Exit Date
Employed ☐N/A Employer: Date of Employment: Quarter After Exit: Employment related to Training? ☐Yes ☐No ☐N/A
Credential ☐N/A

FEDERAL SERVICES CRITERIA	FEDERAL ACCEPTABLE DOCUMENTATION (only 1 document needed per criteria)
☐GED Credential Type:_____	
Earnings Gained Previous Salary: _____ Current Salary: _____ Wage Data:	
Wage Data:	
Follow-Up Type of follow-up: _____ Frequency: _____ Date of last contact:	
Follow-up done for 12+ months? ☐**Yes** ☐**No**	
Data on the approved document matches the data in the system? ☐**Yes** ☐**No**	

Please note, for self-attestation, a signature or e-signature is required.

This final section is for relevant state and local services requirements. Use this section of the eligibility tool to add these additional requirements, if applicable. GM staff should enter in relevant requirements and check for validating documents.

STATE/LOCAL ELIGIBILITY CRITERIA	ACCEPTABLE DOCUMENTATION
Click or tap here to enter text.	

TOOL H: WIOA YOUTH PARTICIPANT FILE REVIEW

Purpose:

This tool is used when reviewing eligibility and services provided to a WIOA Youth participant.

Instructions:

Use this tool when reviewing [Indicator 1.e.3: Eligibility/Enrollment](#) and [Indicator 2.e.4: Performance Reporting for the PIRL](#).

This tool is multi-functional as it assists GM staff and Performance Specialist to review a participant case file, the story of services provided to an individual participant. Case files should be clearly laid out so that it provides an accurate picture how participants advance through our workforce and training programs. Case file notes should demonstrate what services were provided and why they were provided. If it's not documented, it didn't happen. This tool looks at eligibility, priority of service, the sequence of service provided, and helps validate certain items of information contained on data fields of the Participant Individual Record Layout (PIRL).

The left column indicates the eligibility requirement or relevant demographic information, the right column includes documents that can be used for data validation. To pass review, at least one validating document should be included in the participant file, unless otherwise indicated. Where applicable, the data element number from the PIRL is listed below the item.

The term "cross-match" refers to a source document that is contained in a MIS System or database that also includes participant data but is not the grant recipient's case management system.

Self-attestation means a written, or electronic/digital declaration of information for a particular data element, signed and dated by the participant. DOL broadly interprets what is considered an electronic/digital signature. Electronic signatures or a submission from the participant such as an email, text, or unique online survey response is considered an electronic signature or verification; it must be participant generated and traceable to the participant. Grant recipients must retain documentation of the self-attestation.

While only one barrier is required for WIOA Youth eligibility, please check all barriers that are documented in the case file.

References:

[TEGL 21-16](#) (WIOA Youth program design, program elements, and eligibility determination), [TEGL 21-16 Change 1](#) (WIOA Youth low-income determination), [TEGL 23-19 Change 1](#) (guidance for data validation), [TEGL 09-22](#) (WIOA Youth policy and eligibility clarification), and [TEN 19-22](#) (priorities and policy clarification).

Participant Name:

Identification Number:

Sample Number:

Date Of Application:

YOUTH	FEDERAL ACCEPTABLE DOCUMENTATION (only 1 document needed per criteria)

Age/Date of Birth
(PIRL 200)
(16-24 for Out-of-School Youth at time of registration)
(14-21 for In-School Youth at time of registration)
☐ Driver's license
☐ Baptismal record
☐ Birth certificate
☐ DD-214
☐ Report of transfer or discharge paper
☐ Federal, State, Local, or Tribal identification card
☐ Passport
☐ Hospital record of birth
☐ Public Assistance/Social Service Records
☐ School records or ID cards
☐ Work permit
☐ Family Bible
☐ Cross-match with state agency records
☐ Justice system records
☐ Selective Service registration
☐ Signed letter from a parent or guardian
☐ Medical records
☐ Self-attestation
☐ Other_____

Data on the approved document matches the data in the system? ☐Yes   ☐No

School Status
(PIRL 409)
☐ Applicable records from education institution (GED certificate, diploma, attendance record, transcripts, dropout
   letter, school documentation)
☐ Intake application or enrollment form
☐ Electronic records
☐ Case notes
☐ Self-attestation
☐ Other_____

Data on the approved document matches the data in the system? ☐Yes   ☐No

Low Income Status (PIRL 802)
(Required for all In-School Youth and only for barriers 3, 4, and 9 for Out-of-School Youth)

☐ Award letter from Veteran's Administration
☐ Pay stubs
☐ Court award letter
☐ Employer statement/contact
☐ Housing Authority verification
☐ Social Security benefits
☐ Copy of authorization to receive Cash Public Assistance
☐ Public Assistance eligibility verification
☐ Cross-match with Public Assistance records
☐ Bank statements
☐ Compensation award letter
☐ Pension statement
☐ Family or business financial records
☐ Quarterly estimated tax for self-employed persons
☐ UI claim documents
☐ Copy of Public Assistance check cross-match with Refugee Assistance records
☐ Cross-match with UI Wage Records
☐ Self-attestation
☐ Other_____

Data on the approved document matches the data in the system? ☐Yes   ☐No

Selective Service
(not in the PIRL)
(Males 18 years or older only)
☐ Verification from Selective Service System (https://www.sss.gov/verify/)
☐ If 26 or older and not registered, a copy of Status Information Letter with an approved reason for lack of registration (https://www.sss.gov/verify/sil/)
☐ N/A

Data on the approved document matches the data in the system? ☐Yes   ☐No

BARRIERS (Select all that apply)

School Drop Out (PIRL 409, code value 4) (Out-of-School Youth only) ☐Yes   ☐No
(See School Status Documentation above)

Data on the approved document matches the data in the system? ☐Yes   ☐No

Compulsory School Attendance*   ☐Yes   ☐No
(PIRL 409, code value 6)
(Out-of-School Youth only)
(See School Status Documentation above)
*A youth who is within the age of compulsory school attendance but has not attended school for at least the most recent complete school year calendar quarter. The school year calendar quarter is based on how a local school district defines its school year quarters.

Data on the approved document matches the data in the system? ☐Yes   ☐No

Basic Skills Deficient

(PIRL 804)

(Low Income must be determined for an Out-of-School Youth if this barrier is used. Reference PIRL 802)

☐ Applicable records from education institutions (transcripts, academic assessments, or other school documentation)

☐ Assessment test results

☐ Case notes

☐ Other_____

☐ N/A

Data on the approved document matches the data in the system?   ☐**Yes**   ☐**No**

English Language Learner

(PIRL 803)

(Low Income must be determined for an Out-of-School Youth if this barrier is used. Reference PIRL 802)

☐ Assessment test results

☐ Applicable records from education institutions (transcripts, or other school documentation)

☐ Intake application or enrollment form

☐ Individual Service Strategy

☐ Case notes

☐ Self-attestation

☐ Other_____

☐ N/A

Data on the approved document matches the data in the system?   ☐**Yes**   ☐**No**

Homeless Individual, Homeless Child or Youth, or Runaway

(PIRL 800)

☐ Intake application or enrollment form

☐ Written statement or referral transmittal from a shelter or social service agency

☐ Needs assessment

☐ Case notes

☐ Individual Service Strategy

☐ Letter from caseworker or support provider

☐ Self-attestation

☐ Other_____

☐ N/A

Data on the approved document matches the data in the system?   ☐**Yes**   ☐**No**

Offender

(PIRL 801)

☐ Documentation from the juvenile or adult criminal justice system

☐ Written statement or referral document from a court or probation officer

☐ Referral transmittal from a reintegration agency

☐ Intake application or enrollment form

☐ Needs assessment

☐ Individual Service Strategy

☐ Federal Bonding program application

☐ Self-attestation

☐ Other_____

☐ N/A

Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**

Foster Care Individual or Has Aged Out of the Foster Care System*
(PIRL 704)

*A Youth in foster care or who has aged out of the foster care system or who has attained 16 years of age and left foster care for kinship guardianship or adoption, a child eligible for assistance under sec. 477 of the Social Security Act (42 U.S.C. 677), or in an out-of-home placement
☐ Written confirmation from a social service agency
☐ Case notes
☐ Foster care agency referral transmittal
☐ Needs assessment
☐ Individual Service Strategy
☐ Intake application or enrollment form
☐ Self-attestation
☐ Other_____
☐ N/A

Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**

Pregnant or Parenting Individual
(PIRL 701)
☐ Needs assessment
☐ WIC eligibility verification
☐ TANF Single Parent Eligibility verification
☐ Intake application or enrollment form
☐ Individual Service Strategy
☐ Case notes
☐ Self-attestation
☐ Other_____
☐ N/A

Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**

Individuals with a Disability
(PIRL 202)
(Low Income must be determined for an Out-of-School Youth if this barrier is used. Reference PIRL 802)
☐ School 504 records provided
   by student
☐ Assessment test results
☐ School Individualized Education Program (IEP) record
☐ Self-attestation
☐ Other_____
☐ N/A

Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**

Youth Who Needs Additional Assistance
(PIRL 702)
See state policy on definition.
☐ Intake application or enrollment form
☐ Case notes
☐ Needs assessment

☐ Individual Service Strategy (ISS) ☐ Self-attestation ☐ Other_____ ☐ N/A	
Data on the approved document matches the data in the system? ☐**Yes** ☐**No**	

If an individual is determined eligible, but does not also receive an objective assessment, Individual Service Strategy, **AND** at least one program element, then they are **NOT** a program participant. GM staffs should investigate further to determine if documentation is available elsewhere, and if none are found, note the deficiency and move to the next case file review tool, as applicable.

FEDERAL ELIGIBILITY CRITERIA   **FEDERAL ACCEPTABLE DOCUMENTATION** (only 1 document needed per criteria)
Objective Assessment
Assessment in the file? (if, yes complete the following questions) ☐**Yes** ☐**No**
Includes an objective assessment of academic levels? ☐**Yes** ☐**No**
Includes an objective assessment of skill levels? ☐**Yes** ☐**No**
Includes an objective assessment of service needs, which includes a review of basic skills, occupational skills, prior work experience, employability, interests, aptitudes, supportive service needs, and developmental needs? ☐**Yes** ☐**No**
Includes objective assessment of strengths? ☐**Yes** ☐**No**
Data on the approved document matches the data in the system? ☐**Yes** ☐**No**
Individualized Service Strategy
ISS in the file? ☐**Yes** ☐**No** (if yes, complete the following questions)
Education goal stated? ☐**Yes** ☐**No**
Employment goal stated? ☐**Yes** ☐**No**
Do planned services relate to assessment results and set goals? ☐**Yes** ☐**No**
Evidence ISS developed with participant? ☐**Yes** ☐**No**
Evidence ISS reviewed and updated with participant? ☐**Yes** ☐**No**
Data on the approved document matches the data in the system? ☐**Yes** ☐**No**
Program Elements
Evidence in the file that participant received at least one program element service? ☐**Yes** ☐**No** (if yes, complete the following questions)
Program Entry Date i.e., start of participation (PIRL 900 and 906)
First Program Service Date:
Last Program Service Date:
Exit Date:
Documentation Used to Determine Dates: ☐Activity sheets ☐Sign-in sheets ☐Attendance record ☐Vendor contract ☐Electronic Records ☐Case notes ☐Cross-Match ☐IEP ☐ Other_____ ☐ N/A
Data on the approved document matches the data in the system? ☐**Yes** ☐**No**

FEDERAL ELIGIBILITY CRITERIA   FEDERAL ACCEPTABLE DOCUMENTATION (only 1 document needed per criteria)
Tutoring, Study Skills Training, Dropout Prevention Services i.e., Educational Achievement Services? (PIRL 1402) ☐**Yes**   ☐**No** (if yes, complete the following questions)
Documentation Used: Most Recent Date: ☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records ☐Case notes   ☐Cross-Match   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Paid and Unpaid Work Experience (PIRL 1405) ☐**Yes**   ☐**No** (if yes, complete the following questions)
Documentation Used: Most Recent Date: ☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records ☐Case notes   ☐Cross-Match   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Occupational Skills Training (PIRL 1302) ☐**Yes**   ☐**No** (if yes, complete the following questions)
Documentation Used: Most Recent Date: ☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records ☐Case notes   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A
If participated in occupational skills training via an Individual Training Account (ITA), does it comply with state and local requirements? ☐**Yes**   ☐**No**
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Education offered concurrently with workforce preparation and training for a specific occupation? (PIRL 1407) ☐**Yes**   ☐**No** (if yes, complete the following questions)
Documentation Used: Most Recent Date: ☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records ☐Case notes   ☐Cross-Match   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Leadership Development Opportunities (PIRL 1408) ☐**Yes**   ☐**No** (if yes, complete the following questions)
Documentation Used: Most Recent Date: ☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records ☐Case notes   ☐Cross-Match   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Supportive Services (PIRL 1409) ☐**Yes**   ☐**No** (if yes, complete the following questions)
Documentation Used: Most Recent Date: ☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records ☐Case notes   ☐Cross-Match   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A
Data on the approved document matches the data in the system? ☐**Yes**   ☐**No**
Adult Mentoring (PIRL 1410) ☐**Yes**   ☐**No** (if yes, complete the following questions)

FEDERAL ELIGIBILITY CRITERIA	FEDERAL ACCEPTABLE DOCUMENTATION (only 1 document needed per criteria)

Documentation Used: Most Recent Date:
☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records
☐Case notes   ☐Cross-Match   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A

Data on the approved document matches the data in the system? ☐Yes   ☐No

Follow-Up Services (not part of participation determination) (PIRL 1412) ☐Yes   ☐No
(if yes, complete the following questions)

Documentation Used: Most Recent Date:
☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records
☐Case notes   ☐Cross-Match   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A

Data on the approved document matches the data in the system? ☐Yes   ☐No

Comprehensive Guidance and Counseling (PIRL 1411) ☐Yes   ☐No
(if yes, complete the following questions)

Documentation Used: Most Recent Date:
☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records
☐Case notes   ☐Cross-Match   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A

Most Recent Date

Data on the approved document matches the data in the system? ☐Yes   ☐No

Financial Literacy Services (PIRL 1206) ☐Yes   ☐No
(if yes, complete the following questions)

Documentation Used: Most Recent Date:
☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records
☐Case notes   ☐Cross-Match   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A

Data on the approved document matches the data in the system? ☐Yes   ☐No

Entrepreneurial Skills Training (PIRL 1413) ☐Yes   ☐No
(if yes, complete the following questions)

Documentation Used: Most Recent Date:
☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records
☐Case notes   ☐Cross-Match   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A

Data on the approved document matches the data in the system? ☐Yes   ☐No

Services that provide labor market information (PIRL 1414) ☐Yes   ☐No
(if yes, complete the following questions)

Documentation Used: Most Recent Date:
☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records
☐Case notes   ☐Cross-Match   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A

Data on the approved document matches the data in the system? ☐Yes   ☐No

Postsecondary preparation and transition activities (PIRL 1415) ☐Yes   ☐No
(if yes, complete the following questions)

Documentation Used: Most Recent Date:
☐Activity sheets   ☐Sign-in sheets   ☐Attendance record   ☐Vendor contract   ☐Electronic Records
☐Case notes   ☐Cross-Match   ☐Individual Service Strategy   ☐ Other_____ ☐ N/A

Services provided align with ISS, assessment results, and goals ☐Yes   ☐No

FEDERAL ELIGIBILITY CRITERIA	FEDERAL ACCEPTABLE DOCUMENTATION (only 1 document needed per criteria)
Services accurately identified in the MIS ☐**Yes** ☐**No**	
Data on the approved document matches the data in the system? ☐**Yes** ☐**No**	

Incentives
Did the participant receive an incentive? ☐**Yes** ☐**No**   (if yes, answer the following questions)
Incentive tied to recognition and achievement directly tied to training activities or work experiences? ☐**Yes** ☐**No**
Complies with local program written policies and procedures? ☐**Yes** ☐**No**
Tied to the goals of the specific program? ☐**Yes** ☐**No**
Outlined in writing before the start of the program? ☐**Yes** ☐**No**
Is the incentive reasonable? ☐ **Yes** ☐ **No**

This final section is for relevant state and local services requirements. Use this section of the eligibility tool to add these additional requirements, if applicable. GM staff should enter in relevant requirements and check for validating documents.

STATE/LOCAL ELIGIBILITY CRITERIA	ACCEPTABLE DOCUMENTATION Use this section to add requirements set by the state and local area, if applicable.

TOOL I: PROCUREMENT STANDARDS CHECKLIST

Purpose:

The Uniform Guidance at 2 CFR 200.317 requires States and Indian Tribes (as defined in 2 CFR 200.1) to follow the same procurement policies and procedures they use for procurements with non-Federal funds. If such policies and procedures do not exist, States and Indian Tribes must follow the procurement standards in 2 CFR 200.318-327. All other recipients and subrecipients, including subrecipients of a State or Indian Tribe, must follow the procurement standards in 2 CFR 200.318-327.

Instructions:

GM staff should use the checklist below to determine if a grant recipient has policies and procedures in place that are consistent with general procurement standards as outlined in the Uniform Guidance. Circle "yes" if the procurement policy reviewed contains the standard, or circle "no" if the policy does not contain the standard.

Uniform Guidance **2 CFR 200.318 - 200.327** **Does the grant recipient have the following contained in its procurement policy:**
1. **Written settlement procedures** related to disputes, protests, source evaluations, and claims? ☐ Yes or ☐ No
2. Steps in place for **bidder/contractor** complaints, grievances, and resolution? ☐ Yes or ☐ No
3. **Boilerplate terms and conditions?** ☐ Yes or ☐ No This can include: • Contract provisions found in **Appendix II** in the Uniform Guidance, and • Clauses required by the Federal agency such as **national policy** or Federal appropriation items that were included in the **grant award**.
4. Contract clauses regarding **domestic procurement preferences** (2 CFR 200.322) and **never contracting with the enemy** (2 CFR 200.215)? ☐ Yes or ☐ No
5. Identify when to use the **required methods of procurement** as described at 2 CFR 200.320 when competitively procuring? ☐ Yes or ☐ No This can include: • Micro-purchase (< $10,000*) ☐ Yes or ☐ No • Simplified acquisition procedures (purchases between $10,000* and $250,000*) ☐ Yes or ☐ No • Sealed Bids (formal advertising such as invitation for bids – IFBs) ☐ Yes or ☐ No • Competitive Proposals (requests for proposals – RFP) ☐ Yes or ☐ No • Non-Competitive Proposals (Sole Source) ☐ Yes or ☐ No • Professional or Qualifications-Based Services ☐ Yes or ☐ No *Subject to change. Thresholds are set by the Federal Acquisition Regulations (FAR) at 48 CFR Subpart 2.1 and 41 U.S.C 1908.
6. A **consistent application** of policies for all Federal and non-Federal procurements? (Y/N)
7. **Written standards of conduct** that address disclosure of real, apparent, and organizational **conflict of interest** for all involved parties (2 CFR 200.318(c)(1))? ☐ Yes or ☐ No
8. Processes that promote **transparency** and awarding only to **responsible** entities? ☐ Yes or ☐ No For example, award recipients must: • Address contractors' past performances or conduct a risk assessment • Outline procedures to confirm contractor's status on debarment or suspension on SAM.gov
9. Steps to **avoid** the purchase of **unnecessary or duplicative items?** ☐ Yes or ☐ No
10. Procedures that address **noncompetitive** or **sole source procurement?** ☐ Yes or ☐ No

11. Procedures to **document** and make available for review the **procurement history?** ☐ Yes or ☐ No
This can include, but is not limited to:
- Rationale for procurement method
- Rationale for contract type including MOUs
- Basis for contractor selection or rejection
- Basis for contract price or award amount
- Separately negotiated profit**

12. Steps for conducting:
- **Cost and/or price analysis**: must be used for all procurements in **excess** of the Simplified Acquisition Threshold (small acquisitions/ small purchases) including amendments. An independent estimate of costs before receiving bids or proposals must be documented. ☐ Yes or ☐ No
- **Lease versus purchase analysis** ☐ Yes or ☐ No
- **Negotiation of profit**** ☐ Yes or ☐ No

** The Uniform Guidance states that contractors may earn profit which must be reasonable and fair and that the entity conducting the competition negotiate profit separately from costs (2 CFR 200.324(b)).

20 CFR 683.295 and 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. Otherwise, profit is not allowed for grant recipients and subrecipients at 2 CFR 200.400(g).

TOOL J: PROCUREMENT HISTORY FILE

Purpose:

To assist GM staff in reviewing the grant recipient's procurement history or a particular purchasing action. Sufficient document should be maintained to ensure that a procurement or purchasing action was performed and consistent with procurement requirements found at 2 CFR 200.317 – 322. See Indicators 2.d.2: Competition, 2.d.3: Methods of Procurement, 2.d.4: Cost or Price Analysis, and 2.d.5: Contract Administration.

Instructions:

Obtain a sample of recent procurement actions from the grant recipient. Review the file and complete the following checklist below. The checklist contains items that are commonly found in the different phases of a procurement process as effective business practices. Circle "yes" if the specific section in the procurement history file has been reviewed and contains the standard, or circle "no" if the policy does not contain the standard. A "no" may result in a compliance issue over the procurement of the tested item as evidence cannot support or demonstrate the procurement standard.

Y/N	1. Planning Phase: Documentation or evidence of the following?
	Identification of need (e.g., duties/ responsibilities, budget, period of performance, and performance levels)
	Development of solicitation (e.g., RFP or IFB)
	Development of evaluation or scoring factors and assigned points
	Identification of panel and signatory authority
	Conflict of interest disclosure statements
Y/N	**2. Release and Evaluation Phase: Documentation or evidence of the following?**
	Publicize procurement solicitation
	Host bidders' conference to ensure clarity of requirements
	Collect proposals/ bids and open all at once
	Score and evaluate proposals/ bids
	Justification for a sole source or non-competitive selection
Y/N	**3. Negotiation and Selection Phase: Documentation or evidence of the following?**
	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

Tool J: Procurement History File

Y/N	4. Implementation Phase: Documentation or evidence of the following?
	Conduct oversight and monitoring where required 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 amendments
Y/N	**5. Closeout Phase: Documentation or evidence of the following?**
	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

Best practices:

◆ During the Release and Evaluation Phase, at least a 30-day response time is necessary for receipt of bids or proposals from the date of issuance of a solicitation in widely circulated publications and websites.

◆ A bid or proposal needs to contain a dollar amount as it cannot be $0 or $1 for it to be considered a "competitive" bid.

◆ During the Release and Evaluation Phase, if a sufficient number of proposals/bids has not been submitted (less than two, in the case of sealed bids) or if the submitted proposals/bids do not reach an acceptable award score based upon the evaluation criteria, an entity may develop an award under a sole source method consistent with 2 CFR 200.320(c).

◆ During the Negotiation and Selection Phase, consideration should be given to such matters as integrity, financial stability, compliance with public policy, record of past performance and technical resources.

◆ In accordance with 2 CFR 200.112, grant recipient must disclose, in writing any real or potential **conflict of interest**. Also consistent with 2 CFR 200.318(c)(1), the grant recipient must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if they have a real or apparent conflict of interest.
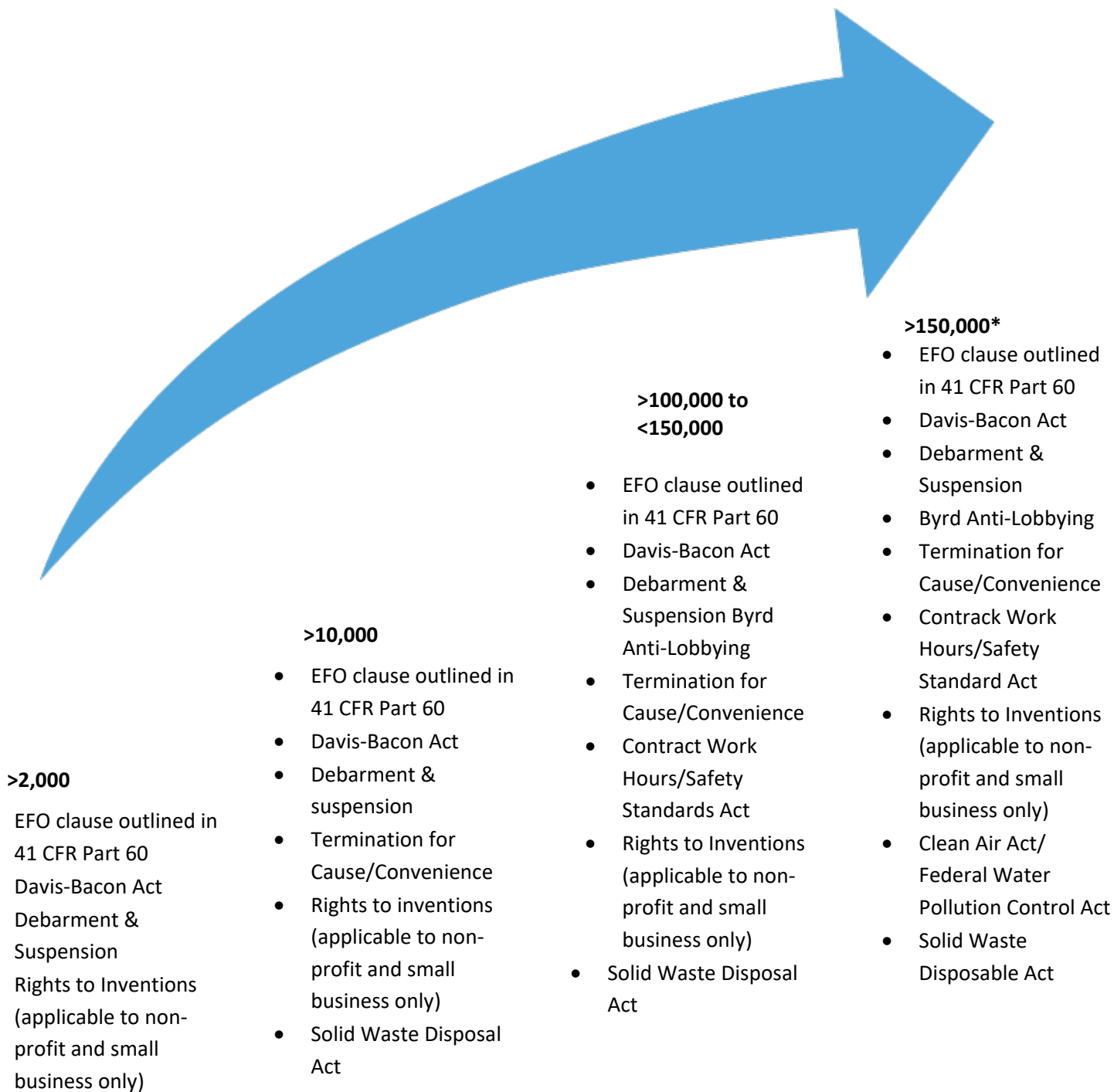
TOOL K: CONTRACT OR AGREEMENT CHECKLIST

Purpose:

Once GM staff have read through Indicator 2.f.1: Subrecipient and Contractor Determination, use the checklist below to ensure an agreement is fully executed by containing basic and necessary elements for either a **contract** or **subaward**. Before using this checklist, GM staff need to ensure the award recipient has determined if the entity is considered a contractor (2 CFR 200.318(h)) or a subrecipient (2 CFR 200.332(b)(1-4)) and assessed if the entity is a responsible entity. This includes guaranteeing the contactor or subrecipient has not been debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

Instructions:

Check yes (Y) if the agreement element is listed or check no (N) if the agreement element is missing. Also refer to Indicator 2.d.5: Contract Administration and Indicator 2.f.3: Post Subaward Responsibilities.

Y	N	Basic Elements of a Contract or Agreement
Y	N	**Basic Contract Law Requirements**
		Specifies a period of performance and description of services to be provided (Offer)
		Includes signatures and dates of the parties involved (Acceptance)
		Specifies a statement of work and payment schedule (Consideration)
		Both parties accept the benefits and obligations of the agreement (Written and Signed)
		Legal purpose and authorized officials (Legal and Authorized)
Y	N	**ETA Requirements or Suggested Items**
		Negotiated performance levels/metrics to be achieved
		Methods for monitoring and reporting performance
		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
		Compliance with Single Audit requirements, if applicable
		Modification/ 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
Y	N	**Additional Elements in an Agreement with a Subrecipient**
		Adheres to the Uniform Guidance at 2 CFR Part 200 and DOL's exceptions at 2 CFR Part 2900
		DOL policies, statutes, and regulations
		Grant Agreement including Terms and Conditions

Y	N	Additional Elements in an Agreement with a Contractor
		Outlines a specific payment schedule
		Competitively procured when required
		Items contained in Appendix II to 2 CFR Part 200 —Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, such as the elements contained in the chart below:

>2,000

- EFO clause outlined in 41 CFR Part 60
- Davis-Bacon Act
- Debarment & Suspension
- Rights to Inventions (applicable to non-profit and small business only)

>10,000

- EFO clause outlined in 41 CFR Part 60
- Davis-Bacon Act
- Debarment & suspension
- Termination for Cause/Convenience
- Rights to inventions (applicable to non-profit and small business only)
- Solid Waste Disposal Act

>100,000 to <150,000

- EFO clause outlined in 41 CFR Part 60
- Davis-Bacon Act
- Debarment & Suspension Byrd Anti-Lobbying
- Termination for Cause/Convenience
- Contract Work Hours/Safety Standards Act
- Rights to Inventions (applicable to non-profit and small business only)
- Solid Waste Disposal Act

>150,000*

- EFO clause outlined in 41 CFR Part 60
- Davis-Bacon Act
- Debarment & Suspension
- Byrd Anti-Lobbying
- Termination for Cause/Convenience
- Contrack Work Hours/Safety Standard Act
- Rights to Inventions (applicable to non-profit and small business only)
- Clean Air Act/ Federal Water Pollution Control Act
- Solid Waste Disposable Act

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

TOOL L: MONITORING REPORT TRACKING WORKSHEET

Purpose:

To assist GM staff in determining the adequacy of the pass-through entity's monitoring process, including resolution and follow-up. See Indicator 2.f.4: Subrecipient Monitoring.

Instructions:

During a monitoring review, review a sample of monitoring reports of subrecipients and determine if there are any questioned costs. For any findings and questioned costs identified as resolved, consider reviewing any supporting documentation provided by the subrecipient and ensure that it was correctly resolved and in a timely manner.

Monitoring Reports

Entity that was monitored	Name:	Name:	Name:	Name:
Program/Project Reviewed #1				
Program/Project Reviewed #2				
Monitoring Visit Date				
Report Date				
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
Describe any follow-up actions taken				

Use the space below, if necessary, to explain any issues identified.

TOOL M: GENERAL APPEALS PROCESS

Purpose:

To assist GM staff in determining whether the recipient has adequate appeals policies in place and that actions taken are timely and align with the requirements. Some appeals can be the result of an audit or the monitoring of a subrecipient, or a complaint or grievance filed by a participant or other interested parties. GM staff should select a sample of appeals that have been or are currently being investigated from each of these buckets (if applicable) and review them against the questions asked in the table below.

See Indicator 1.b.4 One-Stop Partnerships, Indicator 2.i.4 Grievance and Complaint System, Indicator 2.i.6 Appeals and Sanctions, and Indicator 3.h.1 Audit Process.

Instructions:

Please fill out the below tables to ascertain the current status of all open and closed appeals. GM staff will be able to determine if the recipient's appeals policies and procedures are in compliance with the requirements found in the program including the Uniform Guidance (2 CFR 200.342), applicable nondiscrimination, equal opportunity provisions, DOL's resolution and management decision process at 2 CFR Part 2900, and applicable program regulations.

Appeals Policies and Procedures
Is there a written appeal process/policy?   Yes or No
Who is responsible for appeals received? Name: Type of Appeal: Name: Type of Appeal:
Is there an appeal policy with procedures for the following: Grievances and Complaints ☐   EEO/Discrimination ☐   Program Services ☐   Audit Findings ☐ Monitoring Findings ☐   Controlled Substance Sanctions ☐   Other Policies ☐
Yes or No – Has the recipient provided the grievance, complaint, and/or appeals policy to participants and other interested parties?
(Where Applicable) Yes or No – Are there procedures in place for appealing a monitoring finding from subrecipients?
Yes or No – Does the appeal policy include timelines for responses and management decisions?

Yes or No – Is there due process procedures and are the timeframes for responses and actions appropriate and where applicable align with requirements?
Yes or No – Do the procedures include the opportunity for a hearing?
Yes or No – Do the procedures include the opportunity to appeal to the Secretary should the result of the hearing be deemed unsatisfactory by the appellant?
Yes or No – For appeals on the final determination issued by ETA, does the recipient have a process in place to appeal the Grant Officer's final determination to the Assistant Secretary of ETA or to an Administrative Law Judge (ALJ) within 21 days of receipt of the final determination? (The choice of appeal is limited to one or the other and is determined by ETA at 2 CFR Part 2900.)

Testing Prior Appeals
When was the decision delivered that is being appealed?   Click or tap to enter a date.
Is there a log kept of the appeal?   Yes or No
If yes, is the log up to date?   Yes or No

Date Appeal Received	Name of Appellant	Current Status	Was the Recipient's Appeals Policy Accurately Followed?
Click or tap to enter a date.			
Click or tap to enter a date.			
Click or tap to enter a date.			

Administrative Law Judge (ALJ) Hearing Date (if applicable): Click or tap to enter a date.

ALJ Decision/Determination: (if applicable): Concur with Grant Recipient or Appellant?

Debt Collection Determination (if applicable):

Debt Collection Amount (if applicable):

TOOL N: SEPARATION OF DUTIES WORKSHEET

Purpose:

To aid GM staff in ensuring that adequate separation of duties is in place for key activities potentially impacting the integrity of key organizational functions listed in the chart below. Separation of duties is critical to effective internal control because it reduces the opportunity for an employee to commit and conceal errors, intentionally or unintentionally, or perpetrate fraud because no one individual has complete control over a multi-step process or transaction. For larger organizations, at a minimum, the following duties or responsibilities should be separated, and there should be at least two sets of eyes on each transaction:

- ▶ Custody – A separate person that initiates a transaction
- ▶ Authorization – A separate person who authorizes or approves the transaction
- ▶ Record-keeping – A separate person records a transaction in the official records
- ▶ Reconciliation – A separate person reconciles the transaction

Sometimes a small unit or a smaller organization has a limited number of staff, making it difficult or impossible to establish adequate separation of duties. If this is the case, the unit or small organization needs to establish compensating controls – controls designed to compensate for the increased risk. The compensating control may take the form of an additional or more in-depth review by a supervisor, those who are outside the unit, or even board members.

Instructions:

Enter in the "Staff Member" column the names/positions of staff who have the responsibilities listed on the left of the table under "Function/ Process". Place a checkmark below a duty/responsibility if that person has responsibility for that function. GM staff must ensure that a single individual does **not** have responsibilities over multiple functions or functions that conflict within the process. If during testing the GM staff identifies that a staff member is performing more than one function/ process, continue walking through the procedures to identify if a compensating control exists. A compensating control may include additional or an alternative means of providing assurance as intended by segregating duties. For example, the requirement for a secondary signature to authorize high dollar valued purchase orders or the supervisor reviewing a weekly exceptions report of high dollar transactions with vendor information and investigating anything that looks unusual. If a compensating control does not exist, then there is a lack of separation of duties.

See Indicator 3.a.1: Effectiveness and Efficiency of Operations and Indicator 3.a.4: Safeguard on Assets.

Duties/Responsibilities

Function/ Process	Staff Member	Custody	Authorization	Record-Keeping	Reconciliation	If applicable, Compensating Control
Payment						
Payment						
Payment						
Payment						

Function/ Process	Staff Member	Custody	Authorization	Record-Keeping	Reconciliation	If applicable, Compensating Control
Procurement						
Procurement						
Procurement						
Procurement						
Payroll/ Human Resources/ Staff Hiring						
Payroll/ Human Resources/ Staff Hiring						
Payroll/ Human Resources/ Staff Hiring						
Payroll/ Human Resources/ Staff Hiring						
Subrecipient Management						
Subrecipient Management						
Subrecipient Management						
Subrecipient Management						
Performance Reporting						
Performance Reporting						
Performance Reporting						
Performance Reporting						
Financial Reporting						
Financial Reporting						
Financial Reporting						
Financial Reporting						
Financial Reporting						

Function/ Process	Staff Member	Custody	Authorization	Record-Keeping	Reconciliation	If applicable, Compensating Control
Audit						
Audit						
Audit						
Audit						

TOOL O: COST-SHARING (MATCH) EVALUATION WORKSHEET

Purpose:

To aid GM staff in testing the validity and accuracy of cost-sharing (or match) that has been identified in the approved budget, and the appropriateness of the valuation. If the grant under review includes a cost-sharing requirement, GM staff will assess if the amount is necessary and reasonable for accomplishing grant objectives, as well as if the cost-sharing was expended on allowable grant activities (2 CFR 200.306(b) and 2 CFR Part 2900).

Instructions:

Select a sample of items that are being reported as cost-sharing; then, complete the table below for each of the sampled items. Valuation must be assessed in accordance with standards identified in the Uniform Guidance. Furthermore, GM staff must also ensure the entity accounts for all funds used for cost-sharing within their accounting system as the funds are **expended** (represented in the last column below).

See Indicator 3.d.2: Cost-Sharing Expenditures and Indicator 3.d.3: Valuation and Documentation of Sharing.

Description of Cost-Sharing: 2 CFR 200.306(b)	Amount Claimed 2 CFR 200.306(b)	Allowable Cost to the Grant (Y/N) 2 CFR 200.306(b)	How is it Valued? 2 CFR 200.306(i)	Cost-Sharing Expended on Allowable Program Activities (Y/N) 2 CFR Part 2900

TOOL P: TRANSACTION TESTING

Purpose:

To enable GM staff to gather data samples for transaction testing of the grant recipient's general ledger. The goal of testing these sample transactions is to determine if the recipient's transactions are necessary, reasonable, and allocable to the grant. The size of the sample should be an appropriate representative of the total number of transactions in the general ledger.

Instructions:

Select a sample variety of transactions from the general ledger for testing. If the answer to any questions below is 'no' or the amount allocated is not reasonable, please follow up with the recipient and validate any responses with additional supporting documentation. If further investigation does not resolve the issue identified, the transaction may not be in compliance and result in a questioned cost.

See Indicator 3.f.1: Cost Principles and review Resource B: Sampling Best Practices.

SAMPLE ITEM
Sample Item:
Date:
Payee's Name:
Amount:
Approval Received (Y/N):
Allowable (Y/N):
Adequate Supporting Documentation (Y/N):
Description / Type of Cost:
Accrued (Y/N):
Consistent with financial policies (Y/N):
Competition used (if applicable) (Y/N) (NA):
Approved in grant budget (Y/N):

Necessary, Reasonable, Allowable, and Allocable
Total Amount:
Amount Allocated #1:
Amount Allocated #2:

Amount Allocated #3:
Amount Allocated #4:
Allocation of cost is reasonable to proportionate benefit received: ☐ Yes or ☐ No
Is the cost necessary to achieve the goals of the grant? ☐ Yes or ☐ No Is the cost reasonable? ☐ Yes or ☐ No Is the cost allowable? ☐ Yes or ☐ No Is the cost properly classified? ☐ Yes or ☐ No
Amount Questioned:
Supporting Documents Obtained:
Additional Explanation/Documents:

TOOL Q: AUDIT RESOLUTION TRACKING CHECKLIST

Purpose:

To assist GM staff in determining for those recipients and, if applicable, any subrecipients who have a single audit are on track to resolve current and previous year audit findings. The activity statements below are designed to ensure GM staff not only review all resolved audit findings, but also to track the recipient's progress in resolving open findings.

See Indicator 3.h.1: Audit Process, Resource G: Single Audit Report Framework, and the Federal Audit Clearing House at https://www.fac.gov/.

Instructions:

Please fill out the informational boxes at the top of the tracking checklist based on the recipient's latest single audit report. Go through each of the activity statements, as applicable, leaving a comment on why an activity was N/A. If the activity was not reviewed but should have been, note why.

For those that are reviewed, the activities listed below are for GM staff to review the auditor's opinion and/or significant items to note in each of the reports contained in a single audit package, this is represented in the third column. See Resource G: Single Audit Report Framework for a list of possible opinions, as well as significant items to note. The auditor's Report on Internal Controls Over Financial Reporting and the Report on Internal Controls Over Major Program Compliance will include any findings. If there are findings identified, they may be identified as either a significant deficiency or a far more severe material weakness. If any findings denote significant deficiencies or material weaknesses, GM staff must review the grant recipient's corrective action plan(s) for these items.

General Information		
Auditee	Auditor Name/Company –	FY Ending –
# of Previous Findings: # of Open Findings:	($) Amount of Questioned Costs:	Single Audit Missing: ☐ Grant Recipient's Explanation:
Date sent to FAC:	Audit Report Date:	Identified in Audit Report as: ☐ Major Program ☐ Minor Program ☐ High Risk ☐ Low Risk

Yes No N/A	Activities	Type of Opinion Expressed and Significant Items to Note
	Reviewed the independent auditor's **overall opinion** on the single audit.	
	Reviewed the independent auditor's **report on financial statements**, the opinion within, and any supplementary information.	
	Reviewed the **Schedule of Expenditures of Federal Awards and Other Financial Assistance**, including the opinion. Verified that all programs expending Federal funds during the period of the audit were included on the schedule and were properly identified.	
	Reviewed the auditor's **report on internal controls over financial reporting** (based on an audit of financial statements and performed in accordance with government auditing standards). Reviewed the opinion within, and if there was an audit finding, noted if it was a significant deficiency or a material weakness.	
	Reviewed the auditor's **report on compliance with requirements applicable to each major program**, including the opinion contained within.	
	Reviewed the auditor's **report on internal controls over major program compliance** (in accordance with Subpart F of the Uniform Guidance) including the opinion within. This report should identify major and minor programs (Type A and Type B respectively), as well as any significant deficiencies or material weaknesses.	
	Reviewed **schedule of findings and questioned costs** (summary of audit results). Ensure that any significant deficiencies or material weaknesses noted prior are also included here.	
	Reviewed statement regarding the **schedule of prior year audit findings**.	
	Reviewed **notes on significant accounting policies**, which may include significant accounting policies and items that will impact next year's statements (if applicable).	
	Established a **Corrective Action Plan** for any finding(s) (if applicable)	
	Reviewed Data Collection Form (**SF-SAC**)	
	Reviewed **Management Letter**	