SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM (SCSEP) SUPPLEMENT TO THE CORE MONITORING GUIDE

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Disclaimer: The Core Monitoring Guide (CMG) and CMG Supplements are monitoring technical assistance tools and do not supersede or replace Federal regulations or statue. If, in any instance, there appears to be a conflict with the program statute, Federal regulations or Office of Management and Budget (OMB) guidance, such conflict must be resolved in favor of the statute, Federal regulations, or OMB guidance which take ultimate precedence.

All the information contained in the CMG and Supplements may not be reproduced or distributed for a fee.

PREFACE

The Senior Community Service Employment Program (SCSEP) Supplement, which complements the Core Monitoring Guide (CMG), is a tool for Federal staff to evaluate the SCSEP grant program. This supplemental guide identifies compliance requirements that are specific to the SCSEP program. The purpose of a monitoring review is to evaluate the quality of the grant program, including its services and performance, to determine if the program is operating in compliance with Title V of the Older Americans Act of 1965 (OAA), the Workforce Innovation and Opportunity Act (WIOA) statute, regulations, and guidance in a manner that will ensure that the grant recipients achieve goals and outcomes (for WIOA requirements that apply to SCSEP grants, go to 20 CFR 641.200). New indicators and guidance applicable to SCSEP grants are added to the CMG objectives and indicators. **The SCSEP Supplement contains all the CMG indicators to conduct a comprehensive review of the program.** Note that each Core Activity 1's indicators have been determined to be either a Compliance (C) or Effectiveness (E) indicator based on SCSEP program regulations. For those indicators marked as "C", program citations have been included in that indicator. Please review indicator language for those compliance reviews. Reviewers should use the SCSEP Supplement **ONLY** and the CMG resources and tools that are in the CMG, which are hyperlinked in Resource N and within each indicator, as applicable.

BACKGROUND

SCSEP is the only Federally sponsored employment and training program targeted specifically to low-income individuals 55 years and older who have poor employment prospects, barriers to employment, and a family income no more than 125 percent of the Federal poverty level. The program has dual goals: 1) to promote useful opportunities to foster economic self-sufficiency in community service work experience assignments; and 2) to move SCSEP participants into unsubsidized employment. SCSEP (20 CFR Part 641) is a community service and work-experience job training program authorized under Title V of the Older Americans Act of 1965 (OAA) Public Law 89-73; 42 U.S.C. 3056 et seq.). The OAA was reauthorized in April of 2016 under Public Law 114-144 to align SCSEP performance measures with WIOA core performance measures. In July 2018, the Employment and Training Administration (ETA) published the SCSEP Performance Accountability Final Rule to require grant recipients to report performance information under the measures implemented in the Final Rule and also Federal Register / Vol. 87, No. 30. On March 25, 2020, OAA was reauthorized by the Supporting Older Americans Act of 2020, Public Law 116-131, which extends the Act's authorization of appropriation through FY2024.

SCSEP is both a formula and competitive grant program of which a predetermined percentage (see OAA sec. 506: Equitable Distribution of Assistance) of the funds are allocated to the States and territories by formula and the remaining percentage is based on a competition for grants to national organizations (including set-aside grants which are a sub-set of national grants). SCSEP grant recipients include State agencies and national non-profit organizations. Funding allotments for the States are calculated using a statutory formula requiring ETA to award each State a grant to provide SCSEP services. State grant recipients are those entities designated by the Governor, or the highest government official, to enter into a grant with ETA to administer a

State or territory SCSEP project under the OAA. National grant recipients are determined by a national competition and can be a public or non-profit private agency or organization, or tribal organization. ETA issues a Funding Opportunity Announcement (FOA) for eligible national applicants to compete for national funding every four years. SCSEP grant recipients must use the American Job Center (AJC) system as one method in the recruitment and selection of SCSEP-eligible participants. Additionally, States may enter into agreements with other States to permit cross-border enrollment of eligible participants.

ETA ensures that SCSEP services are provided equitably within each State through an Equitable Distribution plan, in accordance with Section 507 of the OAA ("Equitable Distribution" 42 U.S.C. 3056e). The program uses census data by county and annual program appropriations to calculate the number of authorized positions that are allocated to each county in each State. The number of authorized positions for State grant recipients and national grant recipients combined is proportional to the number of eligible participants in the county compared to the eligible state population. For every authorized position, one or more individuals can receive services during the program year. For States that have a higher minimum wage, modified positions are used in lieu of authorized positions. Grant recipients must submit an Equitable Distribution Report (EDR) annually as a basis for improving the distribution of SCSEP positions. Participants are allowed to remain in the program for a maximum duration of 48 months; however, grant recipients may request an extension for individual duration for participants who meet specific criteria as outlined in the regulations. Each grant recipient must manage its SCSEP project in such a way that the grant recipient does not exceed an average participation cap for all participants of 27 months (in the aggregate). Grant recipients may request an extension of up to 36 months, subject to grant officer approval. See "Individual time limit" for further description [See 20 CFR 641.570(c)].

When eligible individuals are enrolled for participation in the program, the grant recipient is responsible for providing, at minimum, the required SCSEP services as referenced in 20 CFR 641.535. These required services include:

- Providing an initial orientation to SCSEP
- Conducting assessments and reassessments (unless an initial assessment has already been performed under title I of WIOA) of participants' work history, skills and interests, needs for supportive services and occupational preferences
- Creating (and updating) participant's Individual Employment Plan (IEP) to reflect an initial employment goal and future goals
- Placing participants in a Community Service Employment (CSE) activity also known as Community Service Assignment (CSA)
- Ensuring participants have safe and healthy working conditions at their community service assignment worksites
- Providing participants with wages and benefits for time spent in the community service assignment, orientation, and training
- Providing or arranging for permissible training identified in participants' IEPs
- Providing or referring participants to appropriate services through the AJC system
- Providing counseling on participants' progress in meeting the goals and objectives identified in their IEPs and supportive needs
- Assisting participants in obtaining unsubsidized employment, including providing or arranging for employment counseling in support of their IEPs

The CSA is the core component of the SCSEP service delivery model that integrates work experience training at public agencies and/or private nonprofit organizations and are designed to provide participants with a part-time (average of 20 hours per week), temporary employment paid with grant funds. Additionally, this work experience is designed to provide job skills that can lead to unsubsidized employment. Various public

agencies and 501(c)(3) organizations and facilities may serve as SCSEP Host Agencies such as schools, hospitals, day-care centers, and senior centers. SCSEP grant recipients must secure agreements with Host Agencies (known as the Host Agency Agreement) and ensure that they adhere to all provisions required within the law.

The SCSEP Host Agency is a unique partner entity that is not considered a contractor or subrecipient of the grant recipient. A host agency is a public agency, or a private nonprofit organization exempt from taxation under sec. 501(c)(3) of the Internal Revenue Code of 1986, which provides a training work site and supervision for one or more participants. Political parties cannot be host agencies.

A Host Agency may be a religious organization if the projects in which participants are being trained do not involve the construction, operation, or maintenance of any facility used as a place for sectarian religious instruction or worship (OAA 502(b)(1)(D) and 20 CFR 641.140). Host Agencies are accountable to the grant recipient for limited SCSEP program functions including supervision of the participant's work site; rotating participant assignments (rotation policy) within the host site as permissible; working with the grant recipient to develop community service training expectations and activities; and submitting participant timesheets for community service hours to the grant recipient for which participants are paid a wage with grant funds. Notably, Host Agencies generally do not receive direct Federal funding for serving as Host Agencies and do not make determinations on SCSEP participant eligibility.

Training at the Host Agency should be based on the participant's IEP and provide the opportunity for participants to develop and refine skills to be able to secure unsubsidized employment. In some instances, a participant's IEP may indicate an employment goal that requires specific skills not attainable through their CSA. In these instances, participants are offered additional skills training (see Older Workers Bulletin (OWB) 04-04 regarding permissible training activities).

USE OF THE SCSEP SUPPLEMENT

THE CMG AND THE SCSEP SUPPLEMENT

The CMG represents the official oversight and monitoring guide for evaluating programs funded with grant funds administered by ETA. The CMG was developed to establish essential core functions that must be in place for any grant recipient to operate an ETA grant within the boundaries of acceptable practices established primarily by law, regulation, and/or government-wide rule. Although the SCSEP Supplement incorporates all CMG indicators, instructions, tips, and questions, please note that the following CMG tools and resources are not included in the SCSEP Supplement.

- **Monitoring Review**
  - Purpose
  - Three Components of an On-Site Review
  - Roles of the Reviewer
  - Grant (Working) File
- **Pre-Monitoring Review and Preparation**
  - Managing Grant Recipient's Expectations
  - Authorities and Requirements
  - Work Plan (Statement of Work)
  - Performance Reports
- **On-Site Monitoring Plan**
  - Managing the Grant Recipient's Expectations
  - Entrance Conference
  - On-Site Communications
  - Four Cs
  - Symptoms vs. Conditions and Causes
  - The Five Whys Technique
  - Reasonable Assurance
  - Collection of Documents
  - Exit Conference
- **Post-Visit**
  - Managing the Grant Recipient's Expectations
  - Key Elements of a Monitoring Report
  - Evidence-Based Monitoring Report
- **Monitoring File**
- **Resolution Process Resources**
- **Resources**
  - Resource A: Selected Definitions and Acronyms
  - Resource B: Cross Reference of Grant Management Requirements
  - Resource C: Order of Precedence
  - Resource D: Documentation Request Samples & Data Analyses
  - Resource E: Analysis for On-Site Monitoring
  - Resource F: Using Effective Interviewing Techniques
  - Resource G: Sampling Methodology
  - Resource H: Monitoring Finding Template
  - Resource I: List of Items Requiring Prior Approval
  - Resource J: Procurement Standards
  - Resource K: Background for Contract Provisions
  - Resource L: Retention of Records Table
  - Resource M: SWCAP and NICRA Resources
- **Tools**
  - Tool A: MOU & IFA Worksheet
  - Tool B: WIOA Adult Participant File Review
  - Tool C: WIOA Dislocated Worker (DW) Participant File Review
  - Tool D: WIOA Youth Participant File Review
  - Tool E: Budget Comparison Tool
  - Tool F: Procurement / Purchasing Policy Checklist
  - Tool G: Procurement History File
  - Tool H: Subaward Review Worksheet
  - Tool I: Contract Review Checklist
  - Tool J: Subrecipient Monitoring Reports Worksheet
  - Tool K: Policies and Procedures Checklist
  - Tool L: Separation of Duties Worksheet
  - Tool M: Worksheet for Evaluating Allowable Match Items
  - Tool N: Transaction Testing
  - Tool O: Cost Allocation Worksheet
  - Tool P: Audit Appeals Process
  - Tool Q: Audit Resolution Tracking Checklist

- Tool R: Documentation of Personnel Services
- Tool S: Risk Assessment Worksheet
- Tool T: Summary of Results/ Reviewer Notes
- Tool U: Compliance Determination Tool

OTHER CONSIDERATIONS

All organizations must have systems in place to meet Federal grant implementation requirements, and this Supplement may be used to assess a grant recipient's strengths and weaknesses in the context of ETA requirements.

If remote monitoring or an Enhanced Desk Monitoring Review (EDMR) is conducted of this program, the ETA Reviewer must use the Supplement. Please refer to Employment and Training Order (ETO) 3-21 on EDMRs for more instruction.

Each activity included in the SCSEP Supplement is designed to capture compliance with the statute, final regulations, and policy guidance, as well as qualitative information. The indicators marked with a (C) indicate compliance and assess whether the State and/or local grant recipient has met statutory and regulatory requirements. The effectiveness (E) questions are qualitative and do not relate to compliance requirements.

SCSEP SUPPLEMENT INSTRUCTIONS

The SCSEP Supplement is designed to assist ETA National and Regional staff in assessing SCSEP grants. Though the Supplement addresses all three Core Activities included in the CMG (Service Design and Delivery, Grant Operations, and Financial Management), the CMG is ETA's primary monitoring guide for grants. Therefore, the Supplement contains all the CMG instructions and questions. ETA expects Reviewers to consider all sections of this supplement and to use their knowledge of the grant, professional judgment, and risk assessment to identify the areas to interview and test.

Reviewers will find questions to help determine whether grant recipients have complied with their grant award agreement, the OAA, regulations, and other applicable guidance. Additionally, Reviewers should evaluate the actions taken by the grant recipient to utilize the resources made available under the grant to respond to immediate needs. Reviewers should also evaluate the likelihood that the project will achieve the enrollment targets, expenditure levels and performance outcomes specified in the grant award; and perform an independent analysis of the timeframe required to complete the grant-related work.

The questions will also help determine areas in which grant recipients may need to improve, and therefore opportunities to provide technical assistance. Note that each Core Activity 1's indicators have been determined to be either a Compliance (C) or Effectiveness (E) indicator based on SCSEP program regulations. For those indicators marked as "C", program citations have been included in indicator. Please review indicator language for those compliance reviews. Note that Reviewers should review all the questions identified for discussion, including those sourced from the CMG and any SCSEP-specific questions laid out under each indicator.

SCSEP SUPPLEMENT ORGANIZATION AND CORE ACTIVITIES

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

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

In the Appendix, there are two sections:

- Resource N – CMG Resources & Tools provides links to all the Resources and Tools contained in the CMG.
- Resource O – Uniform Guidance Revisions Crosswalk provides a crosswalk of 2020 Revisions to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (also known as the Uniform Guidance at 2 CFR Part 200).

INDICATOR COMPLETION TABLE

Below is a table identifying all the indicators that must be completed during the review. These indicators have a check mark in the CMG column and/or Supplement column.

1. Indicators that have been brought in directly from the CMG to evaluate compliance or effectiveness, and do not contain any additional SCSEP-specific content are marked with a check box in the CMG column.
2. Indicators that are enhanced and contain additional content to address SCSEP program requirements are marked with a check box in the Supplement column.

CMG	Indicator	Indicator Name	Supplement
Objective 1.a Planning and Program Design (Governance)			
☑	1.a.1	Strategic Planning	☑
☑	1.a.2	Service Design	☑
☑	1.a.3	Coordination and Integration	☑
Objective 1.b Implementation			
☑	1.b.1	Designating Personnel, Staff, and Hiring	☑
☑	1.b.2	Participant Recruitment Activities	☑
☑	1.b.3	Partnerships	☑
☑	1.b.4	Required One-Stop Partners	☑
☑	1.b.5	Establishing Contracts and Subawards	☑
☑	1.b.6	Timely Equipment Purchases	
Objective 1.c Product and Deliverables			
☑	1.c.1	Sustainability Plan	
☑	1.c.2	Product Development	
Objective 1.d Business Services and Employer Engagement			
☑	1.d.1	Sector Strategies	
☑	1.d.2	Career Pathways Systems and Programs	
☑	1.d.3	Business Services	☑
Objective 1.e Participant Services			
☑	1.e.1	Service Delivery	☑
☑	1.e.2	Priority of Service	☑
☑	1.e.3	Eligibility/ Enrollment	☑
☑	1.e.4	Assessment	☑
☑	1.e.5	Participant Service Plan	☑
☑	1.e.6	Supportive Services	☑
☑	1.e.7	Training Services	☑
☑	1.e.8	Placement	☑
☑	1.e.9	Follow-up Services	☑
	1.e.11	Host Agencies	☑
Objective 2.a Project Management			
☑	2.a.1	Specific Award Conditions	
☑	2.a.2	Prior Approval of Project Modifications	
☑	2.a.3	Closeout Requirements	☑
Objective 2.b Budget			
☑	2.b.1	Budget Controls	
☑	2.b.2	Budget Modifications	☑
Objective 2.c Property Management			
☑	2.c.1	Insurance Coverage	
☑	2.c.2	Real Property	☑
☑	2.c.3	Equipment	

CMG	Indicator	Indicator Name	Supplement
☑	2.c.4	Rental or Leasing Costs for Property	
☑	2.c.5	Supplies	
☑	2.c.6	Intangible Property	
Objective 2.d Procurement and Contract Administration			
☑	2.d.1	Procurement Standards	☑
☑	2.d.2	Competition	
☑	2.d.3	Methods of Procurement	☑
☑	2.d.4	Cost or Price Analysis	
☑	2.d.5	Contract Administration	
Objective 2.e Performance Management			
☑	2.e.1	Performance Reporting	☑
☑	2.e.2	Progress Monitoring	☑
	2.e.3	Data Validation	☑
Objective 2.f Subrecipient Management & Oversight			
☑	2.f.1	Subrecipient and Contract Determination	
☑	2.f.2	Pre-Award Risk Analysis	☑
☑	2.f.3	Post Subaward Responsibilities	
☑	2.f.4	Subrecipient Monitoring	
Objective 2.g Records Management			
☑	2.g.1	Record Retention	☑
☑	2.g.2	Accessibility	
☑	2.g.3	Protected Personally Identifiable Information	
☑	2.g.4	Custody and Transfer	
Objective 2.h Personnel			
☑	2.h.1	Personnel Policy and Procedures	
☑	2.h.2	Staff Positions	
☑	2.h.3	Salaries	
☑	2.h.4	Organizational Chart	
Objective 2.i Civil Rights, Complaints, Grievances, & Incident Reporting			
☑	2.i.1	Policies and Procedures	
☑	2.i.2	Notices	☑
☑	2.i.3	Facilities	
☑	2.i.4	Grievance and Complaint System	☑
☑	2.i.5	Incident Reporting	
Objective 3.a Internal Controls			
☑	3.a.1	Effectiveness and Efficiency of Operations	
☑	3.a.2	Reliability of Reporting for Internal and External Use	
☑	3.a.3	Compliance with Applicable Laws and Regulations	☑
☑	3.a.4	Safeguard on Assets	

CMG	Indicator	Indicator Name	Supplement
Objective 3.b Accounting System and Financial Reporting			
☑	3.b.1	Basis of Reporting	
☑	3.b.2	Financial Reporting	☑
☑	3.b.3	Subrecipient's Financial Reporting	
☑	3.b.4	Performance Reports	
Objective 3.c Payment and Cash Management			
☑	3.c.1	Cash Disbursements	
☑	3.c.2	Improper Payments	
☑	3.c.3	Deposit Insurance	
Objective 3.d Match and Leveraged Resources			
☑	3.d.1	Match Policies and Procedures	☑
☑	3.d.2	Expended Match	
☑	3.d.3	Valuation and Documentation	
☑	3.d.4	Leveraged Resources	
Objective 3.e Program Income			
☑	3.e.1	Program Income Policies and Procedures	
☑	3.e.2	Expending and Documentation	
Objective 3.f Allowable Costs and Cost Classification			
☑	3.f.1	Cost Principles	
☑	3.f.2	Financial Management Systems	☑
Objective 3.g Cost Allocation/ Indirect Costs			
☑	3.g.1	Cost Allocation Principles	
☑	3.g.2	Cost Allocation Plan	
☑	3.g.3	Negotiated Indirect Cost Rate Agreements	
☑	3.g.4	De Minimis	
Objective 3.h Audit and Audit Resolution			
☑	3.h.1	Audit Process	
☑	3.h.2	Subrecipient's Audit	
☑	3.h.3	Report on Internal Controls	

CORE ACTIVITY 1: SERVICE DESIGN & DELIVERY

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

Introduction

The purpose of Core Activity 1 is to evaluate the grant recipient's design and delivery of program services and grant deliverables. Core Activity 1 is dissected into five objectives to help the Reviewer determine compliance and effectiveness of the grant recipient's service design and delivery. Each grant or program may have different service design and delivery requirements, and the Reviewer must carefully examine each objective and its indicators to determine whether it applies to the grant being monitored.

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

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

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

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

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

Instructions

Unlike Core Activity 2 and 3, many indicators in Core Activity 1 are marked with a (C/E), indicating it could be either a compliance indicator, an effectiveness indicator, or both, depending on the program and the specific requirements of the grant under review. However, in the CMG content for Core Activity 1, citations are not included as part of each indicator (with the exception of Indicator 1.b.4: Required One-Stop Partner). The compliance requirements for service design and delivery may vary between programs and grant initiatives, and thus the correct citations are not easily discernable. The Reviewer will be required to make a determination on whether an indicator is either (C), (E), or both, and identify the appropriate citation applicable to the indicator based on the authorizing legislation for that particular grant. However, indicators that have additional SCSEP instructions and questions will contain the relevant citations and make the determination between a "C" or "E" indicator. The Reviewer needs to examine the following to determine compliance requirements:

- Statement of Work
- State Plan
- Local Plan
- Project Improvement Plan
- Funding Opportunity Announcement
- Grant Recipient Policies
- Applicable Federal Regulations/Guidance

CORE ACTIVITY 1 – SERVICE DESIGN AND DELIVERY

Summary of Objectives and Indicators

Objective 1.a: Planning and Program Design

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

Objective 1.b: Implementation

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

Objective 1.c: Products and Deliverables

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

Objective 1.d: Business Services and Employer Engagement

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

Objective 1.e: Participant Services

Indicator 1.e.1: Service Delivery
Indicator 1.e.2: Priority of Service
Indicator 1.e.3: Eligibility/Enrollment
Indicator 1.e.4: Assessment
Indicator 1.e.5: Participant Service Plan
Indicator 1.e.6: Supportive Services
Indicator 1.e.7: Training Services
Indicator 1.e.8: Placement
Indicator 1.e.9: Follow-up Services
Indicator 1.e.11: Host Agencies

Objective 1.a: Planning and Program Design

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

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

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

Citations

20 CFR 641.200-240, 20 CFR 641.300-355, 20 CFR 641.302(g-i), 20 CFR 641.320(a), and 20 CFR 641.315(a)(1-10)(b)

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ For State formula funded grants, review the SCSEP State Plan(s). For National SCSEP grant recipients, review the Statement of Work and Program Narrative.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Questions for Review and Discussion

CMG Questions

1. How did the grant recipient develop their strategic approach to accomplish the goals of the grant? What organizations did they consult, or what partners provided input? What economic or labor market information was used?
2. Is the grant recipient's strategic approach aligned with the State/Local Workforce Board's priorities for meeting the workforce and economic needs of the State and/or local area?
3. What plans or procedures has the grant recipient created to track the progress of its strategic plan?
4. How do the strategic plan goals and objectives align with the goals of the grant?

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

   - 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, and
   - The percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

SCSEP Questions

6. Does the grant recipient have an approved SCSEP State plan document on file? If so, is the grant recipient following its SCSEP State Plan? If not, why?

7. In lieu of a SCSEP State Plan, does the grant recipient have an approved SCSEP SOW? If so, is the grant recipient following it? If not, why?

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.

Citations

20 CFR 641.200-240, 20 CFR 641.300-355, 20 CFR 641.360, 20 CFR 641.365, Grant Agreement, and Grant Terms and Conditions

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review the following documents (as applicable):
  - Subrecipient and/or subaward agreements (if applicable)
  - SCSEP Programmatic Assurances
- ❑ Review the most recent Equitable Distribution Report (EDR).
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

SCSEP Tips

- National grant recipients must consider evidence-informed strategies for working with existing partners and/or develop new relationships with existing workforce partners (including, in particular, business services teams at American Job Centers (AJC)), to determine their employment needs, and what strategies they have in place for hiring older workers from SCSEP.
- State grant recipients must have included in their approved State Plan the State's long-term strategy to improve SCSEP services and their long-term strategy to develop and promote opportunities for the placement of SCSEP participants in unsubsidized employment.
- DOL-ETA encourages National grant recipients to participate in the State Planning process at the State and local levels, except for National grant recipients serving older American Indians, or Pacific Island and Asian Americans, with funds reserved under OAA (see Sec. 506(a)(3) or 20 CFR 641.320).
- "Equitable distribution" refers to the distribution of authorized positions within a State, by county, for the State as a whole and for each grant recipient in the State, in proportion to the SCSEP-eligible population in each county. EDRs describe any variances between the number of current enrollments as compared to the number of authorized and modified positions in each county that the grant recipient serves.

- A new tool for Equitable Distribution analysis will be available in a future version of GPMS that will allow grant recipients and subrecipients to access information about the number of authorized and modified positions.
- National grant recipients must submit an individual report describing the equitable distribution variances for each State that they operate.
- State grant recipients must submit two EDRs:
  - An individual report describing the equitable distribution variances for each county that they operate in
  - A statewide report describing the variances throughout the entire State that includes the national allocation of positions (see EDR form and instructions)
- If a grant recipient wants to change/swap positions in one geographic area to another, the grant recipient must coordinate any proposed changes in position distribution with the other grant recipients in the State, including the State project director, before submitting their proposed changes to ETA for approval.

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

9. What strategies does the grant recipient have in place to ensure that participants are taking actions designed to help them achieve unsubsidized employment if the participant has that as an IEP goal?
10. What strategies does the grant recipient have in place to ensure they are meeting their equitable distribution requirements, especially in remote/rural areas?
11. How does the grant recipient address variances identified in each county they serve? Specifically, variances that result in low enrollments or over-enrollment that persist over a period of time (e.g., over several reporting quarters).

SCSEP State Grant Recipient Questions

12. Does the State agency subaward the administration of the program to another agency? If so, does it have a legally binding agreement with that entity?

13. How does the State grant recipient conduct oversight of its subrecipients including the agency that is administering the program on its behalf?

SCSEP National Grant Recipient Questions

14. Does the grant recipient operating in multiple states have a system in place to effectively operate and provide services in all areas identified in the grant SOW?

15. If the grant includes multiple project operators/subrecipients, how does the grant recipient ensure a consistent service delivery?

Notes

Objective 1.a: Planning and Program Design

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

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

Citations

20 CFR 641.210, 20 CFR 641.230, 20 CFR 641.335, TEGL 16-16 Change 1, TEGL 17-16, Grant Agreement, and Grant Terms and Conditions

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG 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, rather than on formula grant performance standards or individual program measures
  - Alignment with State common exit policies, if applicable

SCSEP Tips

- ◆ The assessment, service strategy, or IEP requirement for SCSEP can be satisfied by any of those completed at the AJC and vice versa (OAA 502(b)(3)). These reciprocal arrangements and the contents of the SCSEP IEP and WIOA IEP should be negotiated in the WIOA MOU for One-Stop partners.

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

4. Does the SCSEP State Plan and/or National grant recipient's SOW outline or describe how it will collaborate with other organizations that serves the same population to maximize opportunities, including additional skills training, education, and supportive services to help them move into unsubsidized employment?
5. Has the grant recipient identified methods for integrating its services with other workforce programs such as co-enrollment? If not, what obstacles to integrating services exist?
6. How does the grant recipient coordinate with other SCSEP service providers to ensure there is no overlap in services?

Notes

Objective 1.b: Implementation

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

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

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

Citations

OAA 502(b)(1)(G), 42 U.S.C. 3056(b)(1)(G), 20 CFR 641.841, Grant Agreement, and Grant Terms and Conditions

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review the SCSEP nepotism policy to determine whether the grant recipient has ensured compliance.
- ❑ Ensure that grant recipients who have assigned themselves as host agencies are compliant with the Maintenance of Effort (MOE) requirements.
- ❑ Review the grant recipient's SCSEP policy on MOE to determine whether the grant recipient adheres to the MOE requirement.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

- ◆ Failure to identify, assign, and/or hire personnel in a timely manner to implement the grant may be the cause of other compliance violations identified throughout the monitoring review exercise.

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

SCSEP Tips

- Grant recipients must ensure that no participant's immediate family member works for the grant recipient or subrecipient, or, that no Host Agency serves as a worksite, if that immediate family member is engaged in a decision-making capacity (whether compensated or not) for that project, subproject, recipient, subrecipient, or Host Agency, as referenced in 20 CFR 641.841. See Indicator 1.e.11: Host Agencies for further description on nepotism.
- "Immediate family" in 20 CFR 641.841 refers to wife, husband, son, daughter, mother, father, brother, sister, son-in-law, daughter-in-law, mother- in-law, father-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, or grandchild.
- A community service assignment for a participant under title V of the OAA is permissible only when specific MOE requirements are met. Each project funded under title V:
  - Must not reduce the number of employment opportunities or vacancies that would otherwise be available to individuals not participating in the program
  - Must not displace currently employed workers (including partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits)
  - Must not impair existing contracts or result in the substitution of Federal funds for other funds in connection with work that would otherwise be performed
  - Must not employ or continue to employ any eligible individual to perform the same work or substantially the same work as that performed by any other individual who is on layoff (OAA 502(b)(1)(G))

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

7. Does the grant recipient have a current nepotism policy or processes in place to ensure that neither it or its subrecipients hire, or no Host Agency serves as a worksite for, a participant in a community service assignment if a member of that participant's immediate family is engaged in a decision-making capacity (whether compensated or not)? If not, why?
8. Does the grant recipient have processes in place that ensure a consistent application of hiring policies/practices throughout their organization and with their subrecipients in different geographical areas across the SCSEP project?
9. Does the grant recipient use participants to perform work that is the same or substantially the same as that of a person who was laid off or in a position that was left vacant within the organization? If so, how is the grant recipient using the participant in a manner that does not violate the MOE requirement?

Notes

Objective 1.b: Implementation

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

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

Citations

20 CFR 641.500, 20 CFR 641.515(a)-(b) , SCSEP Programmatic Assurances in the Annual Planning Instructions and Allotment TEGL, and Quarterly Programmatic Reports

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review the outreach and recruitment plan (for grants intended to serve a target population) and discuss with staff performing this work.
- ❑ Review performance data related to recruitment for the period examined.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

- Refer to Core Activity 2, Objective 2.e: Performance Management, Indicator 2.e.2: Progress Monitoring for a review of program performance.
- Grant recipients without an effective participant outreach methodology inevitably fail to meet performance goals. This indicator may help the Reviewer identify the cause of low enrollment or performance outcomes. For example:
  - Symptom: the grant recipient is not meeting its enrollment goal.
  - Condition: the grant recipient failed to establish critical partnership.
  - Cause: new leadership of partner has different priorities.

SCSEP Tips

- A future version of GPMS will provide enrollment data per county to determine the effectiveness of the grant recipient's recruitment efforts.

Questions for Review and Discussion

CMG Questions

1. What is the grant recipient's participant outreach plan and is it consistent with the SOW?
2. Which target populations is the grant recipient recruiting? How does the outreach plan address each target population?
3. What results is the grant recipient seeing from the current outreach activities? Are there particular target populations that are not being reached?
4. What role do partners have in the outreach plan?
5. How is the grant recipient evaluating the effectiveness of the current outreach activities and how do they adjust their strategy to improve results?
6. If enrollment in services has already begun, is the outreach strategy supporting the expected level of participant enrollments? What adjustments need to be made to the outreach strategy to ensure enrollment goals are met?
7. If the grant recipient is behind in outreach activities or has not begun enrolling participants, has this led to known performance deficiencies? Or will it impact performance if not resolved?

SCSEP Questions

8. What is the method/outreach activity that grant recipients engage in to reach participants that meet the SCSEP eligibility requirements as referenced in 20 CFR 641.500?
9. Does the grant recipient's outreach plan include using the AJC as a method of recruitment? How does the grant recipient use other partners, such as community centers, senior housing, aging services, reentry partners, etc. to assist in recruitment?
10. Does the grant recipient outreach plan include activities to recruit minority populations in proportion to its incidence in the communities?
11. Does the grant recipient's recruitment activity include an effective process for initial screening and pre-assessment to determine whether the program goals and objectives will meet the needs of the applicant?

Notes

Objective 1.b: Implementation

(C) Indicator 1.b.3: Partnerships

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

Citations

Grant Agreement and Grant Terms and Conditions

Instructions

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

Tips

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

Questions for Review and Discussion

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

Objective 1.b: Implementation

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

If the grant recipient is a required partner in the local One-Stop delivery system as prescribed in WIOA sec. 121(b)(1)(B), it fulfills its roles and responsibilities as a required One-Stop partner.

Citations

WIOA sec. 121(c), 20 CFR 641.220, 20 CFR 641.850(d), 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 TEGL 16-16, Change 1,

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review and consider the SCSEP Tip below when answering the questions below.

Tips

CMG Tips

- The required ETA One-Stop partner programs are listed below:
  - WIOA title I programs:
    - Adult, DW (Dislocated Worker), Youth
    - Indian and Native American Programs
    - NFJP (National Farmworker Jobs Program)/ MSFW (Migrant and Seasonal Farmworker)
    - Job Corps
    - YouthBuild
  - WIOA title III programs:
    - Unemployment Compensation
    - Wagner-Peyser
  - SCSEP (Senior Community Service Employment Program)
  - TAA Program (Trade Adjustment Assistance)
  - Jobs for Veteran State Grants
  - REO (Reentry Employment Opportunities)
- The required Department of Education (ED) One-Stop partner programs are listed below:
  - AEFLA (Adult Education and Family Literacy Act) program, WIOA title II
  - State VR (Vocational Rehabilitation) Service program, amended by WIOA title IV

- Career and technical education programs at the postsecondary level, authorized under the Carl D. Perkins Career and Technical Education Act of 2006
- The required Department of Housing and Urban Development (HUD) One-Stop partner program is listed below:
  - Employment and training programs
- The required Department Health and Human Services (HHS) One-Stop partner programs are listed below:
  - Employment and training activities carried out under the Community Services Block Grant (CSBG) programs
  - Temporary Assistance for Needy families (TANF) programs, unless exempted by the Governor under 20 CFR 678.405(b)
- A useful technical assistance tool on the development of a WIOA MOU and Infrastructure Funding agreement is available at the WorkforceGPS website under Sample MOU and Infrastructure Costs Toolkit.

SCSEP Tip

- SCSEP grant recipients are required One-Stop partners as identified above and must contribute towards infrastructure costs. A local WIOA MOU and Infrastructure Funding Agreement (IFA) may consider SCSEP participants' community service hours as an in-kind contribution for purposes of SCSEP's contribution towards additional costs, not infrastructure costs (see TEGL 16-16 and TEGL 16-16, Change 1 for further guidance).

One-Stop Partner Roles and Responsibilities

20 CFR 678.305(b)-(d), 678.310, 678.405(b), 678.405(b), 678.430, 678.435, and TEGL 16-16 and TEGL 16-16 Change 1.

Questions for Review and Discussion

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

Memoranda of Understanding

678.500, 678.505, 678.755, and 678.760

Questions for Review and Discussion

1. Has the Local Workforce Development Board (LWDB), with the agreement of the CEO, developed and entered into a signed MOU with all of the required One-Stop partners?
2. Does the MOU contain:
   - ❑ A description of services to be provided through the One-Stop delivery system, including the manner in which the services are to be coordinated and delivered through the system.

- ❑ One-Stop operating budgets identifying the costs of the services and the operating costs of the system including an Infrastructure Funding Agreement (IFA) for the infrastructure costs of One-Stop Centers in accordance with 20 CFR 678.700 - 678.755 and funding of the shared services and operating costs of the One-Stop delivery system described in 20 CFR 678.760.
- ❑ Methods to providing access to services.
- ❑ Methods for referring individuals between the One-Stop operators and the grant recipient for appropriate services and activities.
- ❑ Provisions specifying the MOU's duration and the procedures for amending it.
- ❑ Identification of other contributions made to the One-Stop system through other avenues.
- ❑ A description of the modification process.
- ❑ Signatures of all the required partners' authorized representative.
- ❑ Appeals process and the resulting update to the MOU.

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

Common Identifier

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

Questions for Review and Discussion

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

Notes

Objective 1.b: Implementation

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

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

Citations

Grant Agreement and Grant Terms and Conditions

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Determine if the selected subrecipients demonstrate expertise in serving individuals with barriers to employment as defined in the OAA.
- ❑ Review SCSEP Programmatic Assurances found in either the Planning Instructions and Allotment TEGL and/or in the grant recipient's approved statement of work.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

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

SCSEP Tips

- A Host Agency is a unique partner entity that is not considered a contractor or subrecipient of the grant recipient. Please refer to Indicator 1.e.11: Host Agencies.
- The SCSEP Programmatic Assurances clarify specific service delivery requirements and administrative requirements that the program regulations outlined. Grant recipients must certify, by signing the programmatic assurances, that they will conform to the assurances and will apply these assurances to any subrecipient involving delivery of services which is consistent with 2 CFR Part 200 and 2 CFR Part 2900.

- In selecting subrecipients in areas with a substantial population of individuals with barriers to employment, grant recipients will give special consideration to organizations with demonstrated expertise in serving individuals with barriers to employment (including former recipients of national grants), as defined in the statute.

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

6. What criteria did the grant recipient use to determine whether its subrecipients had expertise in serving individuals with barriers to employment?

Notes

Objective 1.b: Implementation

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

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

Instructions

- ❑ Review the following documents (as applicable):
  - SOW
  - Equipment Modifications and Request
  - List of equipment purchased
- ❑ Determine what equipment the grant recipient has identified as necessary to accomplish the goals of the grant. This may be found in the SOW and/or equipment modifications/requests.
- ❑ Identify whether the equipment has been purchased or is in the process of being purchased.
- ❑ Determine any impact a delay of equipment purchases may have on the overall success of the grant.

Tips

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

Questions for Review and Discussion

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

Notes

Objective 1.c: Products and Deliverables

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

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

The grant recipient has developed a plan for the continuation of grant goals, principles, and outcomes beyond the life of the grant. The sustainability plan has a clear vision, defines which principles/goals the grant recipient will sustain, outlines strategy to build collaboration between partners, defines strategies and methods for sustainability, and provides action steps.

Instructions

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

Tips

- The sustainability plan is a plan for the continuation of a project's goals, principles, and efforts to achieve desired outcomes through activities that are consistent with the current conditions and workforce development needs of the area. Sustainability plans strengthen partner commitment by creating relationships that last beyond the life of a single grant. They can be used to market a project to potential funders and other possible partners once Federal funding has ended and guide the ongoing management of the project.
- For competitive awarded grants only - ETA's Sustainability Toolkit.
- Various ETA programs also have sustainability toolkits specific to their program requirements.

Questions for Review and Discussion

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

6. How will deliverables produced during the grant, such as new curriculum, new website, and expanded marketing campaign, continue to support operations afterward?
7. Describe any changes in management structure and/or policies anticipated during the grant that help improve the efficiency and effectiveness of operations and support sustainability.

Notes

Objective 1.c: Products and Deliverables

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

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

Instructions

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

Questions for Review and Discussion

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

Notes

Objective 1.d: Business Services and Employer Engagement

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

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

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

Instructions

- ❑ Review the following documents (as applicable):
  - SOW/State Plan/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - Meeting minutes from sector strategy/partnership meetings
  - Relevant labor market information
- ❑ Determine the degree to which the grant recipient is engaged in sector strategies.
- ❑ Identify how the grant recipient decided upon the targeted industry or industries and how they have subsequently engaged key industry partners.
- ❑ Interview industry partners, to the extent possible, to understand their role in the sector partnership and the extent to which the partnership hears and responds to their stated needs.

Tips

- ◆ Prior to the review, request meeting minutes and the background documentation (e.g., labor market information, skills gap analysis etc.) that supports the selection of targeted sectors as well as the initiatives that are being implemented to address the needs of those sectors.

Questions for Review and Discussion

1. What data is the grant recipient using to make decisions about target industries and education and training investments?
2. How are targeted industry sector employers providing input/involved in designing the programs and delivery of services to ensure their workforce needs are met?
3. How do the grant recipient and its partners facilitate the delivery of workforce solutions to ensure they are responsive to the needs of workers and the targeted industry sector(s)?
4. How does the grant recipient measure sector strategy outcomes?
5. How will the grant recipient financially sustain sector work 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

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

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

Instructions

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

Tips

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

Questions for Review and Discussion

*For grant recipients that are developing **career pathway systems**:*

1. What Federal/State/local agencies and/or organizations has the grant recipient partnered with to develop career pathway systems?
2. Who is on the cross-agency leadership team and what are the roles of each member?
3. What are the leadership team's shared vision, mission, and goals for the career pathway system?
4. How were the sectors chosen for which the career pathway system/and or program is being developed?
5. What labor market analysis was used?

6. How are employers and/or industry leaders engaged in the development of the career pathway system? What are their specific roles?
7. Determine whether or not the developed career pathway systems have the following:
   - A clear sequence or pathway that combines education, training, and other services to meet the participant's needs and align with employer demands.
   - Helps an individual enter or advance within a specific occupation or occupational cluster.
   - Provides multiple entry and exit points to enable individuals to enter and exit at successively higher levels of skill development.
8. What funding needs and sources did the grant recipient identify to cover program development, maintenance, and participant costs?
9. Is the grant recipient reforming State/local policy to align with vision and implementation of a coordinated workforce and education system?
10. If so, what are the changes and how has it supported the implementation of a coordinated workforce and education system?
11. What are the short-term and long-term system, program, and participant outcomes the grant recipient identified, developed, and defined to measure system change and performance?

*For grant recipients that are developing **career pathway programs**:*

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

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 utilizes work-based training models such as internships, on-the-job training (OJT), customized training, registered apprenticeships, and incumbent worker training (IWT) to serve business needs, as outlined in the FOA and SOW/State Plan.

Citations

Grant Agreement; Grant Terms and Conditions; and 20 CFR 641.302

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ See Indicator 1.e.11: Host Agencies for information related to Host Agencies.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

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

SCSEP Tips

- ◆ National grant recipients must have a plan to leverage existing relationships and/or develop new relationships with existing aging partners, workforce partners (including business services teams at AJCs), and employers to determine their employment needs and how to assist in the hiring of older workers from the SCSEP program.
- ◆ State grant recipients must have included in their approved State Plan the State's long-term strategy to improve SCSEP services and their long-term strategy to develop and promote opportunities for the placement of SCSEP participants in unsubsidized employment.

- National grant recipients must use employer-based activities to help participants attain their employment goals, while at the same time, address the needs of employers. State grant recipients should implement the same methods.
- Some of these employer-based activities may include but are not limited to:
  - On-the-job experience (OJE) and skill-specific training
  - Inviting employers to provide input on the SCSEP program design
  - Encouraging employers to prioritize hiring qualified participants into job openings

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

8. Does the grant recipient effectively utilize job developers (or similar role) to find appropriate employment opportunities and assist participants in obtaining unsubsidized employment?
9. How does the grant recipient tailor its training and/or OJE's to meet the needs of the employers?
10. If grant recipient has an approved OJE policy and there are no current OJEs, what are the barriers to engaging employers with this service?

Notes

Objective 1.e: Participant Services

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

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

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

Citations

20 CFR 641.210, 20 CFR 641.535(a), 20 CFR 641.540, 20 CFR 641.565, 20 CFR 641.570, 20 CFR 641.580, 20 CFR 641.844, 20 CFR 641.910, OWB 04-04, Grant Agreement, and Grant Terms and Conditions

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review the Program Assurances and Grant Agreement and Grant Terms and Conditions.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

SCSEP Tips

- Participants are to be paid the highest applicable required wage, either:
  - the minimum wage applicable under the Fair Labor Standards Act of 1938
  - the State or local minimum wage for the most nearly comparable covered employment, or
  - the prevailing rate of pay for persons employed in similar public occupations by the same employer
- Assessments/reassessments must be completed as necessary, but no less than two times during a 12-month period. Updating the IEP is necessary to reflect information gathered during the assessments/reassessments (20 CFR 641.535).
- Any participant who is terminated from the program, other than for voluntary exit or exit for unsubsidized employment, must receive a 30-day termination letter along with its grievance procedures that clearly explains the reason for termination as required in 20 CFR 641.910.
- Participants can be terminated for the following:

- False eligibility information by the participant
- Incorrect initial eligibility determination at enrollment
- Income ineligibility determined at recertification
- Participant has reached individual durational limit
- Participant has become employed while enrolled
- For cause terminations (which must be approved by ETA prior to implementation)
- Participant refusal to accept a reasonable number of job offers or referrals to unsubsidized employment consistent with the IEP and there are no extenuating circumstances as required in 20 CFR 641.580

- Grant recipients and subrecipients must offer participants the opportunity to receive physical examinations annually (20 CFR 641.565).
- The grant recipient must develop and implement specific policies and procedures.
- The grant recipient is required to develop and implement specific policies and procedures, such as Individual Durational Limit policy, termination policy, sick leave policy, and grievance policy. Additionally, there is Tool K Policies and Procedures List that may be used to determine adequacy and sufficiency.
- Grant recipient/subrecipients must ensure that participants receive an appropriate orientation that includes information on the following:
  - Project goals and objectives
  - Community service assignments
  - Training opportunities
  - Supportive services
  - Physical examination – record of examination being received or of its refusal
  - Participant rights and responsibilities
  - Prohibited political activities
  - Grievance procedures
  - Individual durational limit
  - Termination policy
- Individual Durational Limit (IDL) refers to the maximum duration of 48 months in the program as referenced in 20 CFR 641.570. Each grant recipient must establish an IDL policy using one of three IDL options:
  - Option 1: No extensions to any participants; all participants exit at 48 months.
  - Option 2: Extensions to every participant who meets any of the waiver factors.
  - Option 3: Extensions to every participant who meets a specific subset of the waiver factors only, as specified by grant recipient's approved policy (e.g., limited English proficiency only; limited English proficiency plus either severe disability or being 75 or older; or any subset combination of the barriers as identified in the grant recipient's policy).
- Grant recipients must develop an IDL Transitional IEP for those participants who will be exiting for individual durational limit within a year. The IEP should focus on fast-tracking the activities needed to prepare the participant for IDL exit. Reviewing the goals and activities set forth in the Transitional IEP will help Reviewers identify whether:
  - Participants are receiving timely notification regarding IDL exit dates (e.g., 1 year, 9 months, 6 months, and most importantly the 30-day termination letter).
  - Grant recipients are providing appropriate and timely case management.
  - Participants are being provided with necessary tools, resources, and training to achieve their final exit goal(s).
- Not every participant will transition into employment before his or her durational limit has been reached. Therefore, the initial IEP must have an employment goal; however, if employment is no longer the goal, the IEP should be updated to clearly reflect the self-sufficiency goal and action steps to prepare

participants when they exit due to durational limit (e.g., volunteerism, financial management, benefit checkup).

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

5. Does the grant recipient have methods and/or processes in place that ensures participants will receive at minimum, the following services?
   - ❑ Orientation
   - ❑ Assessments
   - ❑ IEP
   - ❑ Offer of free physical examination on an annual basis
   - ❑ Placement into an appropriate CSA with a host agency that is in or near the community that the participant resides, and ensuring that the CSA is a safe and healthy working environment providing for or arranging training
   - ❑ Supportive services and referrals for additional assistance
   - ❑ Participant wages and benefits
   - ❑ Workers' Compensation - when participants are not covered by the State workers' compensation law, the grant or subrecipient must provide participants with workers' compensation benefits equal to those provided by law for covered employment
   - ❑ Unemployment Compensation - if required by State law, grant recipients/subrecipients must make a determination and provide unemployment compensation coverage for participants
   - ❑ Assistance obtaining unsubsidized employment
6. Does the grant recipient ensure that participants are paid wages for time spent in orientation, assessments, training, or in any other SCSEP services?
7. Are the paid wages equal to the highest applicable required wage?
8. Does the participant file show evidence that the grant recipient/subrecipient annually offered a physical examination and a participant that declines the exam has provided a signed statement to that effect? ***Note:*** *The file must not contain the results of the examination.*
9. Does the participant file show an assessment and an IEP?
   Note: *Assessments must be performed at least two times within a 12-month period (including updating the IEPs) as required by 20 CFR 641.535(a).*
10. How does the grant recipient ensure that SCSEP services meet the needs of the targeted population?
11. Does the grant recipient have an approved IDL policy and procedure in place?

12. Does the grant recipient have an approved IDL extension waiver? If so, review the type of extension waiver to ensure overall compliance with their policy and procedures?

13. How does the grant recipient ensure there is no violation of maintenance of effort within their community service assignments? See Indicator 1.e.11: Host Agencies for Host Agency Requirements.

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.

Citations

OAA 514(e)(1), 42 U.S.C 3056i(e)(1), 20 CFR 641.520, TEGL 10-09, and TEGL 17-20

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

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

SCSEP Tips

- ◆ Priority of service is applied when the number of available, eligible SCSEP applicants surpasses the number of vacant slots to be filled. It is also applied when the grant recipient has an active waitlist of eligible applicants.
- ◆ Enrollment priority is given to veterans and qualified spouses who are:
  - Covered persons in accordance with the VOW (Veterans to Work)
    Note: *covered persons who are SCSEP-eligible must receive services instead of or before all non-covered persons.*
  - Are 65 years or older
  - Have a disability
  - Have limited English proficiency
  - Have low literacy skills
  - Reside in a rural area
  - Have low employment prospects
  - Have failed to find employment after utilizing services provided under Title I of WIOA
  - Are homeless or are at risk for homelessness

- Are formerly incarcerated or on supervision from release from prison or jail within five years of the date of initial eligibility determination

  Note: *In 2020, an additional priority of service characteristic was added to the list for Priority of Service: formerly incarcerated (See TEGL 17-20).*

- Effective April 15, 2022, a Final Rule published in the Federal Register amended SCSEP regulations to conform with changes in the Supporting Older Americans Act of 2020 regarding individuals who have been incarcerated within the last five (5) years. Consistent with the Act, this Final Rule adds this category of individuals to the priority groups and includes people in this category within the definition of the term "individuals with barriers to employment". In addition, this Final Rule adds this category of individuals to the list of categories grant recipients may choose from to make eligible for increased periods of participation.
- ETA strongly encourages grant recipients to use 1,300 hours per program year as a benchmark and good practice for providing community service hours to individual participants. The statute defines ''community service employment'' as ''part-time'' work and grant recipients must ensure that community service assignments are part-time positions. Participant assistants that are assigned to the grant recipient or its subrecipient(s) are not permitted to exceed part-time requirements.

  Note: *the terms "community service assignment" and "community service employment" are used interchangeably.*

- 1,300 hours is equivalent to an average of 20-25 work hours per week. However, due to differences in minimum wage levels, it is advisable for grant recipients to maintain a lower average hours per week across participants in their program to prevent overspending their budget.

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

6. Does the grant recipient have a waitlist of eligible applicants? If so, how does the grant recipient ensure the priorities are applied when transitioning from the waitlist to enrollment?
7. Does the grant recipient apply the priority for veterans in the order noted in 20 CFR 641.520(c)?
8. Has the grant recipient added individuals who have been incarcerated within the last five (5) years to the priority of service category? Does the grant recipient revise its definition of "individuals with barriers to employment" to include eligible individuals who have been incarcerated or are under supervision following release from prison or jail?

Notes

Objective 1.e: Participant Services

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

The grant recipient adheres to eligibility requirements when enrolling participants.

Citations

20 CFR 641.140, 20 CFR 641.500, 20 CFR 641.505, 20 CFR 641.507, 20 CFR 641.510, 20 CFR 641.512, 20 CFR 641.515, 20 CFR 641.535, 20 CFR 641.585, the most recent TEGL on SCSEP income eligibility (e.g., TEGL 12-06), Grant Agreement and Grant Terms and Conditions

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Determine whether the target population is being served.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

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

SCSEP Tips

- Reviewers should use their professional judgment and Resource G of the CMG as to how many files constitute an appropriate sample size of files to be reviewed during a monitoring visit.

- A participant is an individual who has been determined to be eligible for the program and is given a community service assignment. Participants must be assigned to a community service assignment before receiving any services funded by the program.
- Participants with a family size of two or more can be counted as a family of one if they have a documented disability. They must be able to provide official documents to validate the disability (see SCSEP Data Validation Handbook).
- Grant recipients/subrecipients should have a tool or some form of documentation to show how income is calculated and which method they use to make the final income determination.
- Grant recipients/subrecipients must ensure that only includable income as defined in the most recent TEGL on SCSEP income eligibility (e.g., TEGL 12-06) (see table below) is used to when calculating income. At the same time, grant recipients/subrecipients must ensure that income calculations *do not* include the types of income that are excluded under the regulations, which are also listed in the table below.

Included Income	Excluded Income
With certain exceptions, the U.S. Census Bureau's Current Population Survey (CPS) official definition of "income" governs the determination of SCSEP applicant eligibility. The CPS income sources that apply are as follows:	The SCSEP regulations exclude, for purposes of eligibility determination, certain income sources that the Census Bureau's Current Population Survey (CPS) official definition of "income" includes. These excluded income sources are:
Earnings	Income from other employment and training programs
75 percent of benefits received under title II of the Social Security Act	▪ 25 percent of **benefits received under title II** of the Social Security Act ▪ Supplement Security Income (SSI) ▪ Social Security Disability Insurance (SSDI) ▪ Disability benefits ▪ Workers' compensation
Survivor benefits	Payment made to or on behalf of veterans or former members of the Armed Forces under laws administered by the Secretary of Veterans Affairs
Pension or retirement income	Unemployment Compensation (UI Benefits)
Rents, royalties, and estates and trusts	Lump-sum inheritances, insurance payments, gambling, and lottery earnings
Alimony	All forms of child support

Included Income	Excluded Income
Other income	▪ Any other income exception required by applicable Federal Law—e.g., stipends from programs funded by the Senior Corps of the Corporation for National and Community Service ▪ The first $2,000 of certain per capita fund distributions that are made to Indians pursuant to the Indian Claims Act, P.L. 93-134 and P.L. 97-458 ▪ Withdrawals of bank deposits ▪ Supplemental Security Income ▪ Public assistance ▪ Tax refunds ▪ Money borrowed ▪ Gifts
Interest income	
Dividends	
Educational assistance	
Financial assistance from outside of the household	

- Income should be computed by calculating the includable income received during the 12-month period ending on the date of application or computed by calculating the includable income for the 6-month period annualized ending on the application date. Grant recipients must use whichever method is more favorable to the applicant. *Example: If an application is received on March 15, the grant recipient should only calculate the March income from the 1st – 15th.*
- Grant recipients and subrecipients cannot enroll job-ready individuals who can be directly placed into unsubsidized employment. Such individuals should be referred to another employment provider or to the AJC.
- "Recertification" refers to the annual process undertaken by grant recipients and subrecipients to verify SCSEP participant's continued eligibility. The recertification requirements are the same as the eligibility requirements referenced in 20 CFR 641.505. Note that the program regulations state that SCSEP grant recipient or subrecipient is responsible for verifying their continued eligibility at least once every 12 months.
- When participants are not covered by the State workers' compensation law, the grant recipient or subrecipient must provide participants with workers' compensation benefits equal to those provided by law for covered employment.
- Grant recipients must determine whether a participant qualifies as an employee of the grant organization, subrecipient, local project, or host agency, under applicable law. Responsibility for this determination rests with the grant recipient even when a Federal agency is a grant recipient or host agency (20 CFR 641.585).
- If required by State law, grant recipients and subrecipients must make a determination and provide unemployment compensation coverage for participants.

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

4. Does the grant recipient have tools, processes, and appropriate documentation in place to accurately determine eligibility based on age, total family income, employment status, and at the time of initial enrollment verification that the individual resides in the grant recipient service area (county)?
5. How does the grant recipient ensure that the participants are recertified at least once every 12 months?
6. Does the grant recipient apply the guidance outlined in the most recent TEGL on SCSEP income eligibility (e.g., TEGL 12-06) for determining income inclusions and exclusions and procedures for determining eligibility?
7. Did the grant recipient make a determination whether or not a participant qualifies as an employee of the grant recipient, subrecipient, local project, or host agency, under applicable law? Such documentation has been reviewed and tied to each participant.

CMG - File Review

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

SCSEP - File Review

3. Does the documentation in each case file clearly describe how a participant's income was calculated and which method was used to calculate income?
4. Does it identify income included and excluded used to determine eligibility?
5. Did the grant recipient calculate the includable income based on either a 12-month period or 6 months annualized? Is there documentation?
6. Did the grant recipient calculate income beginning from the date of application?
7. Is there correct documentation to support all includable income and/or to support if the participant reported zero family income or reported family size of one based on disability?
8. For family size of one based on disability, is there official documentation verifying the disability as defined in 20 CFR 641.140?

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

Citations

20 CFR 641.230, 20 CFR 641.535(a)(2), Grant Agreement, and Grant Terms and Conditions

Instructions

CMG Instructions

- ❑ Review the following documents (as applicable):
  - SOW/State Plan/Local Plan/PIP
  - Applicable Federal guidance (UG, WIOA, FOA, Law, Regulations, TEGLs, TENs, etc.)
  - All applicable policies and procedures
- ❑ Determine through the case manager and participant interviews how assessments inform participant services.
- ❑ Describe how adjustments are made and documented when identified along the pathway to completion.
- ❑ Review a sample of case files to ensure assessments accurately gauge participant capacity/aptitude and identify participant skills/interests.
- ❑ Determine through case file review whether the assessment process is generally effective in matching participants with appropriate service options to achieve desired outcomes.

SCSEP Instructions

- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

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

SCSEP Tips

- ◆ Participant assessments must be conducted no less frequently than two times within a 12-month period following the initial assessment.
- ◆ The following are considered unallowable participant benefits:
  - Carry over allowable benefits from one program year to the next
  - Payment or otherwise compensating participants for unused benefits such as sick leave or holidays
  - Retirement - grant recipients and subrecipients may not use SCSEP funds to provide contributions into a retirement system or plan, or to pay the cost of pension benefits for program participants

- Annual leave
- Accumulated sick leave
- Bonuses
- Overtime

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

6. Does the grant recipient's assessment(s) contain, at a minimum, the participant's:

   - ❑ Work history
   - ❑ Skills and interests
   - ❑ Talents
   - ❑ Physical capabilities
   - ❑ Aptitudes
   - ❑ Needs for supportive services
   - ❑ Occupational preferences
   - ❑ Training needs
   - ❑ Potential for performing community service assignment
   - ❑ Potential for transition to unsubsidized employment

7. Does the grant recipient perform subsequent assessments at least two times within a 12-month period following the initial assessment? If so, how is this accomplished? If not, why?
8. Are CSAs based on the outcome of the participant's assessments and/or reassessments?
9. Does the grant recipient/subrecipient use the assessment outcome to determine additional services such as other permissible training or supportive services?
10. Does the grant recipient and/or its subrecipient(s) have methods and/or processes in place to identify skills gaps and other barriers to employment that will hinder a participant's ability to obtain and sustain employment? If so, how does the grant recipient address these barriers and skills gaps?

File Review

CMG - File Review

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

SCSEP - File Review

2. Are the assessment outcomes documented in the participants' IEP and case notes? Are they evident in the participant file?
3. Does the participant file have all assessments and subsequent assessments documented, and is there evidence that assessments are conducted minimally two times within a 12-month period? If so, is the IEP updated to reflect the outcomes of each reassessment?
4. Does the file show evidence or eligibility for workers compensation?
5. Does the participant file or CSA offer participant benefits not authorized in SCSEP such as retirement or cash payout of unused sick leave?

Notes

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.

Citations

20 CFR 641.535, 20 CFR 641.580, and most recent SCSEP policy TEGL (e.g., TEGL 20-20)

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review a sample of participant files and review associated case notes.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

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

SCSEP Tips

- ◆ The IEP is a fluid document that reflects the outcome of the initial assessment as well as any subsequent re-assessments. The IEP describes barriers to employment, supportive service needs, training goals, and timelines to achieve goals. The IEP also includes action steps to address their goals and to remove or minimize any barriers.

- In a participant's IEP, the employment and training goal(s) should reflect Specific, Measurable, Achievable, Relevant and Time-based/Trackable measures (S.M.A.R.T goal). This involves working together to set realistic objectives and create a clear roadmap for how and when their short-term goal will be accomplished.
- Update the participant's IEP as often as necessary to reflect information gathered during any subsequent assessments or discussions with the participant.
- Participants who have reached job readiness and have an employment goal are expected to seek unsubsidized employment, otherwise the grant recipient/subrecipient may terminate the participant for cause (see Indicator 1.e.1: Service Delivery). Failure to meet the responsibility to seek and find employment will result in participant termination from the program. An effort to place the participant into an unsubsidized position should begin once the participant and the grant recipient/subrecipient have reached job readiness. The IEP specifies the agreed upon steps to be taken in pursuit of employment goals.
- Entered employment efforts may include:
  - Coordinating with AJCs to place the participant on an active job registry
  - Identifying suitable, unsubsidized employment opportunities
  - Identifying other forms of job-related assistance
  - Encouraging Host Agencies to hire qualified participants
  - Assignments (work-training sites) as applicable to meeting the goals of the IEP
  - Providing guidance to and assisting participants to contact public and private employers to identify suitable employment opportunities and arrange for interviews
  - Providing counseling on participant's progress identified in their IEP and in meeting the participant's supportive service needs

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

4. Is a participant's IEP based on the assessment results?
   - Does it include short- and long-term goals?
   - Is the participant's goal carefully planned, clear and trackable (e.g., reflecting a S.M.A.R.T goal)?
   - Does it include a strategy for overcoming the barriers identified in the assessment process?
   - Is the IEP updated minimally two times a year based on the outcome of each reassessment activity?
5. Does the initial IEP contain the goal of achieving unsubsidized employment?
   - If the grant recipient subsequently determines that the participant is not likely to achieve unsubsidized employment, is this documented in the case file or case notes?
   - Does the IEP contain the goal of achieving self-sufficiency, including transition to other services or programs?
   - Does it include a strategy for overcoming the barriers identified in the assessment process?

6. Are there any extended lapses in service? If yes, ask the case manager to explain why.
7. If the participant has completed the action steps outlined in their individual training plan, have job development services been provided to assist the participant in finding employment?

File Review

CMG - File Review

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

SCSEP - File Review

8. Is there evidence in the file that the case manager discussed the assessment results with the participant and that they jointly developed the IEP?
9. Do participants' initial IEPs include an employment goal and information gathered during the initial assessment?
10. Does the IEP reflect S.M.A.R.T goals? If not, how are the goals tracked and aligned with the assessment and IEP information to meet the intended outcomes within the project timeline?
11. Do participant's IEPs contain strategies for overcoming barriers identified through the assessment process?
12. Does the grant recipient require the signature of the participant and staff indicating collaborative development of the IEP?
13. Is there evidence that IEPs are updated minimally two times a year based on the outcome of each reassessment activity?
14. Do the case notes track participant progress and document ongoing contact between the case manager and the participant? Is the IEP updated when there are change in circumstances, goals, or planned activities and services?

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.

Citations

20 CFR 641.535, 20 CFR 641.540(g), 20 CFR 641.545, 20 CFR 641.565, 20 CFR 641.874, Grant Agreement, and Grant Terms and Conditions

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review policies and procedures governing supportive services to determine whether any supportive services were provided in accordance with 20 CFR 641.545.
- ❑ Review a sample of participant files and interview case management staff.
- ❑ Determine whether an offer of a free physical examination has been offered to participants within 60 workdays after beginning the first community service assignment in accordance with 20 CFR 641.565.
- ❑ Ensure that the grant recipient has an ETA approved Additional Training and Supportive Services (ATSS) request for supportive services. If so, review the ATSS work plan and budget to ensure funds are allocated to supportive services activities. See Indicator 3.f.2: Financial Management Systems for further guidance on ATSS.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG 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.

SCSEP Tips

- SCSEP requires that the grant recipient offer participants the opportunity to receive a free physical examination annually. The initial offer must be within 60 workdays after the start of the CSA.
- If a participant declines the offer of a physical examination, the grant recipient must document this refusal, through a signed statement.

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

6. Does the grant recipient have a dedicated line item with funds set aside for supportive services in its budget? If not, how does the grant recipient provide supportive services when needed?
7. How are supportive services applied equitably for participants in need and identified in the participant's IEP?
8. Does the grant recipient offer supportive services to participants who have exited for employment for up to 12 months following the placement?

File Review

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

Notes

Objective 1.e: Participant Services

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

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

Citations

20 CFR 641.240, 20 CFR 641.500-540, , 20 CFR 641.577, 20 CFR 641.580, 20 CFR 641.874(a), the most recent TEGL on SCSEP income eligibility (e.g., TEGL 12-06), OWB 04-04, Grant Agreement, and Grant Terms and Conditions

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review OWB 04-04, which outlines the types of training that are permissible for SCSEP.
- ❑ Check whether the grant recipient has an ETA approved ATSS work-plan for training activities. If so, review the ATSS work-plan and budget to ensure funds are allocated to training services activities. (See Indicator 3.f.2: Financial Management Systems for further guidance on ATSS).
- ❑ Review participant files to ensure that OJEs and ATSS activities and documentation aligns with the participant's employment goals as identified in the participant's IEP.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

SCSEP Tips

- ◆ See OWB 04-04 for descriptions and further guidance on training activities permissible under SCSEP which include CSAs, General Training, Specialized Training, and OJEs.
- ◆ Grant recipient must describe the types of general training and/or specialized training that it may offer to participants within their statement of work and grant application (see OWB 04-04).
- ◆ Specialized training must have Grant Officer approval.
- ◆ General training includes training provided to participants before community service assignment starts (known as pre-assignment training) (20 CFR 641.540(b)). This training is permissible once a

participant has been given an assignment date to an appropriate community service assignment. The participant does not have to actually "start" the assignment.

- Pre-assignment training is to help a participant prepare to start their CSA (e.g., basic computer training, communication skills) but must start after the participant is assigned to a community service assignment.
- While there is no specific limit on the number of hours that may be worked in a community service assignment, a community service assignment must be a part-time position. However, ETA strongly encourages grant recipients to use 1,300 hours as a benchmark and good practice for monitoring community service hours.
- It is unallowed to have participants who are identified as "participant assistants/staff" work more part-time hours than their counterparts in the program.
- Grant recipients must follow nepotism policy and the MOE policy. See Nepotism and MOE policy referenced in Indicator 1.b.1: Designating Personnel, Staff, and Hiring.

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

5. Does the grant recipient have a referral process and/or MOU in place to send participants to career and training services at the local AJC?
6. If skills and/or specialized training is needed to meet a participant's employment goal, how does the grant recipient provide the necessary skills training?
7. Does the grant recipient have an approved letter on file affirming a request to use ATSS for skills and/or specialized training activity?
8. If the grant recipient has an approved ATSS, is the grant recipient applying the training activities outlined in its ATSS work-plan and is it meeting its targeted goals and objectives?
    - How are participants selected for ATSS training?
    - Does the ATSS align with the participant's training and employment goal?
    - Does the CSA complement the skills training to enhance the participant's employability?
9. Is the participant's employment goal consistent with their training plan as identified in the IEP and how is the progress tracked? If training has not commenced, does the grant recipient have a justification for the delay?

10. If the participant has completed non-CSA training, has the grant recipient provided job search or other job development services to assist the participant in finding employment? If the participant has completed non-CSA training, is there evidence that participants have conducted job search activities on their own?

11. How does the grant recipient incorporate additional permissible training activities with the participant's community service assignment activity that does not violate OWB 04-04?

File Review

CMG Questions

1. If training is needed to meet an employment goal, does the file reflect that a training plan has been developed that is consistent with achieving the employment goal?

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

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

Work-Based Training Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Refer to OWB 04-04 regarding the implementation of OJEs.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Questions for Review and Discussion

CMG Questions

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

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

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

SCSEP Questions

4. Does the grant recipient have an approved OJE in place?
5. Is the grant recipient effectively applying an approved OJE as described in its SOW and OJE submission?
6. Does the grant recipient have an approved OJE? If so, is the grant recipient actively engaged in OJE activities with one or more employers? How are the participants and employers selected for OJE activities?
7. Does the grant recipient and/or their subrecipient(s) provide additional work experience activities and/or training to identify and address skills gaps and other barriers to employment outside of the participant's CSA?

Notes

Objective 1.e: Participant Services

(C) Indicator 1.e.8: Placement

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

Citations

20 CFR 641.302(e), 20 CFR 641.512, 20 CFR 641.535(c), 20 CFR 641.550, 20 CFR 641.844, Grant Agreement, and Grant Terms and Conditions

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

SCSEP Tips

- ◆ Grant recipients and subrecipients may not enroll job-ready individuals in SCSEP who can otherwise be directly placed into unsubsidized employment. Job-ready individuals (those who have job skills and can look for work) should be referred to an employment provider, such as the AJC for job placement assistance under WIOA or another employment program (20 CFR 641.512).

Questions for Review and Discussion

CMG Questions

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?

SCSEP Questions

4. How are participants assisted in finding unsubsidized employment as noted in their IEP? Is there an organized and documented plan in place to support job search activities that can provide employment opportunities for participants?

5. Does the grant recipient and/or its subrecipient(s) develop and maintain strong employer relationships to improve employment opportunities for participants?
6. Does the grant recipient and/or its subrecipient(s) require participants to engage in job search activities? How is it monitored and tracked?
7. At what point does the grant recipient require participants to engage in job search activities?
8. How does the grant recipient and/or its subrecipient(s) identify the job requirements for in-demand occupations in their communities for its participants?
9. Does the grant recipient and/or its subrecipient(s) provide additional job development and job readiness activities in addition to the CSA?

Notes

Objective 1.e: Participant Services

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

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

Citations

20 CFR 641.545, Grant Agreement, and Grant Terms and Conditions

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review the existing SCSEP performance and data collection system's management report "Preliminary Employment Rate/Median Earnings" for all pending and outstanding follow-ups requiring action.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

SCSEP Tips

- ◆ Not every participant will transition into unsubsidized employment before his or her durational limit has been reached. Therefore, the initial IEP must have an employment goal; however, if employment is no longer the goal, the IEP should be updated to clearly reflect the self-sufficiency goal and action steps to prepare participants when they exit due to durational limit (e.g., volunteerism, financial management, benefit checkup). See Indicator 1.e.5: Participant Service Plan for discussion of IEP.

Questions for Review and Discussion

CMG Questions

1. What is the grant recipient's written plan for providing follow-up services to grant participants who successfully completed the program? What follow-up services are being provided to the participants?
2. Do case managers stay in regular contact with participants' post-program completion? Is there a policy or procedure that defines and requires "regular contact" with grant participants? If yes, how is "regular contact" defined? How does the grant recipient achieve the standard in the definition?

3. Where follow-up is not a requirement, how does the grant recipient determine whether follow-up is necessary?
4. Does the grant recipient require follow-up with participants who did not complete the program or failed to achieve program goals such as employment? If yes, what does that follow-up look like (e.g., method of communication, timeframe that follow-up is conducted, strategies for reaching unresponsive participants, etc.)?

SCSEP Questions

5. What types of follow-up services and/or what strategies does the grant recipient employ to enhance participants' success after they have been placed in jobs to ensure job retention?
6. Does the grant recipient and its subrecipient(s) have methods and/or processes in place to ensure that all follow-up activities for performance tracking are performed timely?

Notes

Objective 1.e: Participant Services

(C) Indicator 1.e.11: Host Agencies

The grant recipient has developed and/or implemented policies and procedures that govern the scope of the Host Agency's responsibilities to provide supervision of program participants while providing them with work experience, a variety of training options, and job skills that can lead to unsubsidized employment.

Citations

20 CFR 641.240(b), 20 CFR 641.535, 20 CFR 641.540, 20 CFR 641.550, 20 CFR 641.577, 20 CFR 641.841, 20 CFR 641.844, OAA 502(b)(1)(G) and (J), 42 U.S.C. secs. 3056(b)(1)(G) and (J), TEGL 18-18 Attachment IV, Grant Agreement, and Grant Terms and Conditions

Instructions

- ❑ Review Host Agency agreements to ensure the agreement outlines expectations and training opportunities.
- ❑ Review CSA training description to ensure that practical and appropriate training is being provided to participants.
- ❑ Interview Host Agency supervisors to ensure there is compliance with MOE requirements as referenced in 20 CFR 641.844.
- ❑ Review CSA training description to ensure that practical and appropriate training is being provided to participants.
- ❑ Interview participant(s) engaged in CSA training and assignment to ensure that practical and appropriate training aligns with the training description and is being provided to participants.
- ❑ Ensure that the grant recipient has a sufficient number of viable Host Agency (training) sites to place a participant for the CSA.
  - The average ratio of modified participant slots to Host Agencies is sufficient if: 1) a CSA is able to be provided to each new participant, and 2) there are adequate opportunities for moving participants to a new host agency to enhance training/learning opportunities.
- ❑ Review current monitoring report(s) on grant recipient's Host Agencies.
- ❑ See Objective 3.a: Internal Controls, Indicator 3.a.3: Compliance with Applicable Laws and Regulations for further guidance on MOE requirements.
- ❑ Ensure the Host Agency's file contains the following:
  - If non-profit, a 501(c)(3) certificate must be on file. Otherwise, it must be a public agency
  - Host Agency agreement
  - CSA training descriptions for each participant assigned to each Host Agency
  - Copy of most recent required annual safety check
  - Host Agency holiday work schedule

Tips

- ◆ Host Agencies are a public agency, or a private nonprofit organization exempt from taxation under sec. 501(c)(3) that provides a training work site and supervision for one or more participants. Various public agencies and sec. 501(c)(3) organizations such as schools, libraries, local government entities, community-based organizations, day-care centers, and senior centers, etc. may serve as SCSEP Host Agencies.

- Host Agencies are accountable to the grant recipient for, but not limited to, the following:
  - Supervision of the participant's work site
  - Working with grant recipient to develop community service training description expectations/activities
  - Providing participants with a positive and substantive work experience
  - Assisting participants in their transition to unsubsidized employment
  - Submitting participant evaluations to the grant recipient to include timesheets for community service hours worked and timely responses to Host Agency customer satisfaction surveys
- A CSA is provided through an eligible Host Agency (sec. 501(c)(3)) organization or public agency. The program offers participants CSAs and training in public and non-profit agencies. The dual goals of the program are to promote useful opportunities in community service activities and to also move participants into unsubsidized employment, where appropriate, so that they can achieve economic self-sufficiency.
- Participants must be assigned to a CSA before receiving any services funded by the program.
- Permissible trainings can be combined with other training activities.
- No grant recipient may require a participant to pay for training.
- Host Agencies should not employ anyone in a decision-making capacity (whether compensated or not) that is an immediate family member to any participant. Immediate family as defined in 20 CFR 641.841(c) refers to wife, husband, son, daughter, mother, father, brother, sister, son-in-law, daughter-in-law, mother-in-law, father-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, or grandchild. See 20 CFR 641.841 and Indicator 1.b.1: Designating Personnel, Staff, and Hiring for further guidance on SCSEP nepotism policy.
- Host Agency Agreements are written agreements between the grant recipient and their Host Agencies that outline the roles and responsibilities of the Host Agency, the CSA training opportunities, liability clauses, and supervisory commitment. ***Note**: this list is not exhaustive*.
- Host Agencies do not make eligibility determinations or perform participant assessments; however, the Host Agency may contribute to a participant's IEP as it relates to their CSA.
- A grant recipient or its subrecipient(s) who assign participants to its own organizations are a Host Agency and therefore are required to adhere to all provisions required of Host Agencies (e.g., maintenance of effort, safety and health checks, training descriptions, designated training supervisor, etc.).
- A grant recipient must ensure that Host Agencies provide participants with safe and healthy working conditions at their Community Service worksites (See OAA 502(b)(1)(J), 42 U.S.C. 3056(b)(1)(J)).
- An individual may be assigned to a CSA but not begin work immediately. Training may be provided to participants before actual work at the CSA begins (known as pre-assignment training) (20 CFR 641.540(b)). This training is permissible once a participant has been "assigned" to an appropriate CSA.
- Pre-assignment training is to help a participant prepare to start his/her CSA (e.g., basic computer training, communication skills) but must be done after the participant is assigned to a CSA (see OWB 04-04).
- Maintenance of Effort (MOE): A community service assignment for a participant under title V of the OAA is permissible only when specific maintenance of effort requirements are met. Each project funded under title V:
  - Must not reduce the number of employment opportunities or vacancies that would otherwise be available to individuals not participating in the program
  - Must not displace currently employed workers (including partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits)
  - Must not impair existing contracts or result in the substitution of Federal funds for other funds in connection with work that would otherwise be performed

- Must not employ or continue to employ any eligible individual to perform the same work or substantially the same work as that performed by any other individual who is on layoff (OAA 502(b)(1)(G))

Questions for Review and Discussion

1. How does the grant recipient recruit qualified Host Agencies and ensure adequate availability of Host Agencies throughout their service area?
2. For Host Agencies that are non-profit organizations, does the grant recipient have a copy of the Host Agency's 501(c)(3) Internal Revenue Code certificate. If not, is it a public agency?
3. Does the grant recipient have a current Host Agency agreement in place?
4. Does the grant recipient have the Host Agency's holiday schedule that informs the grant recipient and participants when the Host Agency is closed for Federal, State, or local holidays that may require participants to be paid or to receive compensation for scheduled work hours in the form of rescheduled work time?
5. Does the grant recipient ensure that the Host Agency provides a safe and healthy working and training environment?
6. Does the grant recipient have documentation of the required annual safety check with the participant at the Host Agency?
7. Does the grant recipient ensure that the Host Agency provides adequate supervision of participants during their CSA?
8. Does the grant recipient coordinate with the Host Agencies in the development of the CSA training descriptions and scheduled CSA hours for the participant?
9. Does the grant recipient assign CSAs based on the participant's assessments, or does it have other methods and/or processes to determine CSAs?
10. Does the CSA align with the participants IEP goals? If not, what efforts are being made to ensure the participant engages in activities that support his/her IEP goals?
11. Does the grant recipient ensure that Host Agency supervisors sign off on timesheets that accurately reflect a participants' actual time spent participating in CSAs and/or additional training at the Host Agency site?
12. How does the grant recipient encourage the Host Agency to support participants in their transition to unsubsidized employment? How is this accomplished and documented?
13. How does the grant recipient encourage Host Agencies to consider participants for employment within its organization? How is this accomplished and at what point in their training does this occur?
14. How does the grant recipient ensure that participants at Host Agencies are not allowed to open/close a Host Agency facility or supervise other participants?
15. Does the grant recipient have a communications plan requiring the Host Agency to communicate with the grant recipient and vice versa regarding the following?
    - Workplace injuries
    - Who to notify to request time off
    - Attendance at mandatory SCSEP meetings

CORE ACTIVITY 2: GRANT OPERATIONS

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

INTRODUCTION

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

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

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

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

Objective 2.d: Procurement and Contract Administration: The grant recipient maintains an adequate procurement/purchasing system that includes written procedures and ensures that all contracting, or procurement actions are performed in a manner that provides for full and open competition.

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

Objective 2.f: Subrecipient Management & Oversight: If applicable and as a pass-through entity (PTE), the grant recipient manages all of its subrecipients and tracks their performance and compliance in meeting the terms and conditions of the subaward.

Objective 2.g: Records Management: The grant recipient maintains a system and implements procedures to manage and secure all financial records, supporting documents, statistical records, and all other records pertinent to the Federal award.

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

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

INSTRUCTIONS

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

- The Reviewer looks at each of the objective and indicators to determine if applicable to the grant/ program under review.
- If further review of any of these systems is necessary based on the Reviewer's findings, obtain copies of all documents relevant to the Reviewer's findings to share with management in the Regional Office and with Office of Grants Management (OGM) staff, as appropriate.
- If a compliance indicator is not met, it will result in a finding due to a violation (condition) of a specific compliance requirement contained in law, regulations, Uniform Guidance, national policies, Grant Terms and Conditions, ETA policy guidance, and/or the grant agreement. Negative responses to an indicator will lead to a determination of noncompliance. Collect evidence as adequate documents must support written findings and be contained in the review file.

CORE ACTIVITY 2 – GRANT OPERATIONS

Summary of objective and indicators

Objective 2.a: Project Management

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

Objective 2.b: Budget

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

Objective 2.c: Property Management

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

Objective 2.d: Procurement and Contract Administration

Indicator 2.d.1: Procurement Standards
Indicator 2.d.2: Competition
Indicator 2.d.3: Methods of Procurement
Indicator 2.d.4: Cost or Price Analysis
Indicator 2.d.5: Contract Administration

Objective 2.e: Performance Management

Indicator 2.e.1: Performance Reporting
Indicator 2.e.2: Progress Monitoring
Indicator 2.e.3: Data Validation

Objective 2.f: Subrecipient Management & Oversight

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

Objective 2.g: Records Management

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

Objective 2.h: Personnel

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

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

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

Objective 2.a: Project Management

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

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

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

Citation

2 CFR 200.207

Instructions

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

Questions for Review and Discussion

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

Notes

Objective 2.a: Project Management

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

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

Citations

2 CFR 200.308; 2 CFR 200.407; 2 CFR 2900.9 - 2900.12; 20 CFR 683.235, TEGL 06-15, and Grant Terms and Conditions

Instructions

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

Tips

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

Questions for Review and Discussion

1. Does the grant recipient have policies and procedures in place when grant modifications need to be made? Does the mechanism allow for a 30-day notice?
2. Are grant management staff aware of modifications that require prior approval? Are they also aware of ETA-specific requirements related to revisions of program plans including pre-approval, timeliness of requests, and Grant Officer authority for revision of program plans? See Objective 2.b: Budget.
3. Has the grant recipient made any changes to the approved SOW without prior approval? If so, have they been notified that such change is not recognized by the Grant Officer?

4. Has the grant recipient complied with the prior approval requirements of the award in relation to non-SOW, non-budget-related modification prior approvals (e.g., equipment, renovations, etc.)?
5. Did the grant recipient receive Grant Officer approval prior to the action taken or cost incurred?

Notes

Objective 2.a: Project Management

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

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

Citations

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

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review and consider the SCSEP Tips below when answering any closeout requirements compliance questions.

Tips

CMG Tips

- ◆ Closeout does not affect other subsequent actions that DOL may take on regarding a grant award; or that a pass-through entity may take on a subrecipient. Closeout does not affect the following: recovery of disallowed costs, recovery of unused funds, debts owed to the Federal government, access to records, property management, and audit requirements. Please be aware that DOL is required to follow the Grants Oversight and New Efficiency Act. (GONE Act), signed into Public Law 114-117 on

January 28, 2016. DOL must close out grants within two years from the expiration of the grant's period of performance. Therefore, it is imperative that the PTEs and grant recipients have timely grant closeout policies and procedures.

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

SCSEP Tips

- Grant recipients must follow all grant closeout procedures and have readily available (if necessary) their ATSS or Administrative Increase approval letter(s) to support the modification of their budget at closeout.
- Note that grants awarded after November 12, 2020, have a closeout period of 120-days as prescribed under the Uniform Guidance Revisions.

Questions for Review and Discussion

CMG Questions

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

Notes

Objective 2.b: Budget

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

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

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

Citations:

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

Instructions

- ❑ Interview the staff primarily responsible for the budget.
- ❑ Review the grant recipient's most current approved budget and budget narrative.
- ❑ Compare what is budgeted to actual expenditures.
- ❑ Use the Tool E: Budget Comparison Tool to assist with this indicator.

Tips

- ◆ The financial standards applicable to all Federal awards contain the requirement for a "planned vs. actual" analysis. The standards state that the financial system must provide for "comparison of expenditure with budget amounts for each Federal award." This financial standard applies equally to formula grant recipients and competitive awardees. Prior approval authority has been granted to Governors for formula grants, but the provisions remain in effect for all awardees.

Questions for Review and Discussion

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

Notes

Objective 2.b: Budget

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

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

Citations

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

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review and consider the SCSEP Tip below when answering any budget modifications compliance questions.

Tips

CMG Tips

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

SCSEP Tip

- Note that grants awarded after November 12, 2020, the micro-purchase threshold and Simplified Acquisition Threshold has been changed to $10,000 and $250,000 due to the Uniform Guidance Revisions. Please refer to the Federal Acquisition Regulation (FAR) for the most updated amount.

Questions for Review and Discussion

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

Objective 2.c: Property Management

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

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

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

Citation

2 CFR 200.310

Instructions

- ❑ Review a listing of the grant recipient's real property, equipment purchased, or capital improvements that were purchased with grant funds.
- ❑ Review the grant recipient's insurance policy for the real property and equipment, or capital improvements.

Tips

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

Questions for Review and Discussion

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

Notes

Objective 2.c: Property Management

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

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

Citations

2 CFR 200.311, 20 CFR 683.240, 20 CFR 688.550, and 20 CFR 641.850(e)

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

- ◆ Grant recipients cannot spend grant funds on construction, purchase of facilities or buildings, or other capital expenditures for improvements to land or building, except with the prior written approval of the Secretary. The YouthBuild grants can purchase real property under certain conditions.
- ◆ ***Formula or State Grant Recipients (WIOA programs and Wagner-Peyser):*** For title I and title III grants with Federal equity in the real property, please refer to 20 CFR 683.240 for instructions for using real property with Federal equity.
- ◆ ***Competitive or Discretionary Grant Recipients (YouthBuild only):*** For costs associated with real property treated in the YouthBuild program, please refer to 20 CFR 688.550 for instructions.
- ◆ If the grant recipient purchases a building with grant funds, it cannot charge depreciation to the grant for the same building. If so, depreciation costs charged to the grant would be unallowable to ETA grant funds. Additionally, Reed Act or SESA buildings can no longer charge or amortize their Federally funded properties.

SCSEP Tips

- ◆ Note that the tips above do not have to be considered during a SCSEP review.

Questions for Review and Discussion

CMG Questions

1. Does the grant recipient have policies and procedures in place when acquiring, managing, and disposing of real property purchased with grants funds?
2. For any real property that was purchased with grant funds, was prior approval received prior to the acquisition or disposition of that property?
3. WIOA Youth, Adult, and Dislocated Worker and Wagner-Peyser Act funds grants only, for items that have not been delegated to the Governor for prior approval, did the grant recipient receive prior approval from the Grant Officer or the Secretary prior to performing the action? Grant actions not delegated to the Governor include:
   - Disposal of real property
   - Disposition or sale of JTPA- and WIA-funded real property
4. If applicable and with the exception of YouthBuild grants, did the grant recipient report the expending of real property proceeds on its ETA-9130 Financial Report (line item 11b – Real Property Proceeds Expended)?

SCSEP Questions

5. Did the grant recipient use SCSEP funds to pay for the labor costs associated with real property for the following? If yes, where are those costs represented in the grant recipient's budget?
   - Minor remodeling of a public building necessary to make it suitable for use for project purposes
   - Minor repair and rehabilitation of publicly used facilities for the general benefit of the community
   - Repair and rehabilitation by participants of housing

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 200.313

Instructions

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

Tips

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

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

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

  - **Buy American Act (BAA)**: By drawing down funds, the grant recipient agrees that it will comply with sections 8301 through 8303 of title 41, United States Code (commonly known as the "Buy American Act").
  - 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. Grant 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.
  - For the purposes of this award, the Buy American Act requires the grant recipient to use, with limited exceptions, only:

- Unmanufactured articles, materials, and supplies that have been mined or produced in the United States, and
- Manufactures articles, materials, and supplies that have been manufactured in the United States substantially all from articles, materials or supplies that were mined, produced, or manufactured in the United States.

- Those exceptions are for: 1) articles, materials, or supplies for sell outside of the United States; 2) articles, materials, or supplies of the class or kind to be used, or articles, materials, or supplies from which they are manufactured, are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and are not of a satisfactory quality; and 3) manufactured articles, materials, or supplies procured under any contract with an award value that is not more than the micro-purchase threshold (currently $3,500). In order to claim an exception under options 1 or 2, the recipient must get prior approval from the Grant Officer. Prior approval is not needed for purchases under the micro-purchase threshold.

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

Questions for Review and Discussion

1. For equipment that was purchased with grant funds, was prior approval received prior to the acquisition or disposition of that equipment?
2. Does the grant recipient have policies and procedures governing the acquisition, management, and disposition of equipment?
3. Is the grant-funded equipment currently in use for the authorized purposes of the grant project that it was acquired for?
4. Are equipment records maintained with the required data elements?

   - ❑ Description of equipment
   - ❑ Serial number
   - ❑ Acquisition cost and date
   - ❑ Percentage of Federal participation in the purchase
   - ❑ Titleholder
   - ❑ Current use, condition, and location
   - ❑ Disposition information
   - ❑ Federal Award Identification Number (FAIN)
   - ❑ Sales price and date of disposition

5. Is a physical inventory of the equipment done and is it reconciled with the property records at least once every two years?
6. Is an adequate control system in place to prevent loss, damage, or theft of the equipment?
7. Is the equipment maintained in good condition with adequate maintenance procedures?
8. Does the grant recipient have a system in place for disposition of equipment? For non-State grant recipients, does the disposition procedures mirror the disposition instructions outlined in 2 CFR 200.313(e)?
9. Can the grant recipient attest or confirm that it has made efforts where required or applicable to Buy American products or goods?

Objective 2.c: Property Management

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

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

Citation

2 CFR 200.465

Instructions

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

Questions for Review and Discussion

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

4. Did the grant recipient sell property that was purchased with non-Federal funds and lease it back using grant funds up to the amount that would have been allowed had the grant recipient continued to own the property?
5. Are rental agreements reviewed periodically to determine if circumstances have changed and other options are available?
6. Does the grant recipient have any capital leases as prescribed in GAAP? If so, was a purchase versus lease analysis performed? Are rental costs only as much as if the grant recipient were to purchase the personal property?

   Note: *If rental costs more than if the grant recipient would have purchased the personal property on the date the lease of agreement was executed, then the overage would be unallowable to ETA grant funds [2 CFR 200.465(c)(5)].*
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?
8. If the grant recipient has idle facilities or idle capacity that it being charged to the grant, is it:

   - Necessary to meet workload requirements, or
   - Necessary when initially acquired and is not idle because of changes in the program requirements, or other causes which could not have been reasonably foreseen?

   Note: *If not meeting criteria outlined above, costs related to idle facilities or idle capacity would be unallowable to ETA grant funds.*
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 are normal costs of doing business?

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

Notes

Objective 2.c: Property Management

(C) Indicator 2.c.5: Supplies

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

Citation

2 CFR 200.314

Instructions

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

Tips

- ◆ A computing device is considered a supply if the acquisition cost is less than the lesser of the capitalization level for the grant recipient or $5,000.
- ◆ Upon termination or at the end of the grant's period of performance, if there are unused supplies exceeding $5,000 in total aggregate value and are not needed for any other Federal awards, the grant recipient has the option to retain the supplies for use on other activities or sell them. For either option, the grant recipient must compensate the awarding Federal agency for its share.

Questions for Review and Discussion

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

Notes

Objective 2.c: Property Management

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

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

Citations

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

Instructions

- ❑ Review the grant recipient's policies and procedures on intangible property.

Tips

- Intangible property is property that has no physical existence, such as trademarks, copyrights, patents and patent applications, inventions, data, and software. This is not an all-inclusive list; please refer to the definition of intangible property in the Uniform Guidance at 2 CFR 200.59.
- In addition to the guidance set forth in 2 CFR 200.315(d), ETA requires intellectual property developed under a competitive Federal award process to be licensed under a Creative Commons Attribution license. This license allows subsequent users to copy, distribute, transmit, and adapt the copyrighted work and requires such users to attribute the work in the manner specified by the recipient. Unless otherwise specified in the grant agreement, 2 CFR 2900.13 does not apply to State formula programs.

Questions for Review and Discussion

1. Has the grant recipient acquired or developed any intangible property with grant funds?
2. Does the grant recipient have policies and procedures covering intangible property? If not, how do they ensure compliance?
3. Are there documents proving that intangible property developed under a competitive grant are licensed under a Creative Commons Attribution license?
4. If grant funds were used to pay a contractor to produce or acquire intangible property for grant use, does the agreement ensure that the grant recipient retains the right to continued use?
5. When no longer needed for the originally authorized purpose, and if required by the terms and conditions of the Federal award, did the grant recipient receive disposition instructions from 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 it uses for procurement with non-Federal funds. For all other grant recipients, the documented policies and procedures conform to applicable Federal laws and the procurement standards identified in the Uniform Guidance.

Citations

2 CFR 200.113 and 2 CFR 200.317-326

Instructions:

CMG Instructions

- ❑ Interview key personnel on the process for conducting procurement activities.
- ❑ Review the grant recipient's written policies and procedures on procurement and purchasing of goods and services.
- ❑ Interview staff from the State central purchasing agency or another appropriate department.
- ❑ Examine documentation to determine if the grant recipient verified a potential contractor or subrecipient's status in the debarment or exclusion list maintained by SAM.gov.
- ❑ During transaction testing in Objective 3.f: Allowable Costs and Cost Classification, sample procurement transactions to ensure policies and procedures are in use and up to date.
- ❑ Use Tool F: Procurement / Purchasing Policy Checklist to assist in completing this indicator.

SCSEP Instructions

- ❑ Review and consider the SCSEP Tip below when answering any compliance questions below.

Tips

CMG Tips

- ◆ Grant recipients are required to report certain civil, criminal, or administrative proceedings to the System for Award Management (SAM) of the General Services Administration (GSA). Failure to make required disclosures can result in any of the remedies noncompliance, including suspension or debarment.
- ◆ State recipients should follow their own procurement procedures that reflect applicable State laws and regulations, provided that its procurements conform to applicable Federal laws and standards. Refer to Resource A: Selected Definitions and Acronyms for Uniform Guidance definition of State.

SCSEP Tips

- ◆ For grants awarded after November 12, 2020, the Uniform Guidance revisions at 2 CFR Part 200 have updated the dollar thresholds for the various types of procurements. Review the revised Uniform Guidance for these updated thresholds to ensure compliance.

Questions for Review and Discussion

CMG Questions

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

2. Is there a separate procurement/purchasing policy on the following?

   - ❑ Micro-purchases
   - ❑ Small purchases
   - ❑ Sealed bids/ Formal advertising
   - ❑ Procurement by competitive proposals
   - ❑ Noncompetitive purchases (sole source)
   - ❑ Professional and/or qualifications-based services

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

4. Does the grant recipient maintain a written code of conduct covering conflicts of interest and governing the actions of its employees or Board members engaged in the selection, award, and administration of contracts?

5. Does it include signed and written “Conflict of Interest” statements?

6. Is the grant recipient ensuring that applicants or entities submitting bids and/or proposals are disclosing, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award?

7. Does the grant recipient take affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible?

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

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

Note: *Some affirmative steps are outlined in 2 CFR 200.321.*

Notes

Objective 2.d: Procurement and Contract Administration

(C) Indicator 2.d.2: Competition

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

Citation

2 CFR 200.319

Instructions

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

Tips

- ◆ Procurement by noncompetitive proposals (otherwise known as "sole source") is procurement through solicitation of a proposal from only **one** source and may be used only when one or more of the circumstances outlined in 2 CFR 200.320(f) apply.

Questions for Review and Discussion

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

Notes

Objective 2.d: Procurement and Contract Administration

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

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

Citations

2 CFR 200.320

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review and consider the SCSEP Tip below when answering any compliance questions below.

Tips

CMG Tips

- The Uniform Guidance describes the five methods of procurement:
  - Micro-purchases (less than $3,500*),
  - Small purchases (less than $150,000**),
  - Sealed bid (formal advertising) purchases,
  - Competitive proposal purchases, and
  - Noncompetitive purchases (special circumstances which are applicable for all purchase levels).
- All five procurement types must comply with the General Procurement Standards in the Uniform Guidance at 2 CFR 200.318.
  - Purchases of supplies or services under $3,500 are treated as "micro-purchases." Micro-purchases are procurements without soliciting any competitive quotations if the grant recipient considers the costs to be reasonable and equally distributes these purchases among qualified suppliers. Be aware of like purchases that are disaggregated to avoid the documentation requirements of the next higher purchasing threshold.
  - All purchases between $3,500 and $150,000 can use the "small purchases" procedures. Small purchases procedures are relatively simple and informal as price or rate quotes are obtained from an adequate number of qualified sources. The grant recipient should use its discretion to determine the "adequate" number of qualified sources (e.g., any number greater than one) and the methods of obtaining the price or rate quotations (e.g., it can be in writing, orally, vendor price list

on website, or generated via online search engine). The Uniform Guidance excludes the small purchase method from the cost and/or price analysis requirement.

**** & **:*** *The micro-purchase and Simplified Acquisition thresholds are subject to change based on inflation. Please review the Federal Acquisition Regulation (FAR) for updated threshold amounts at 48 CFR Subpart 2.1 (Definitions).*

SCSEP Tip

- Note that grants awarded after November 12, 2020, the micro-purchase threshold and Simplified Acquisition Threshold has been changed to $10,000 and $250,000 due to the Uniform Guidance Revisions. Please refer to the Federal Acquisition Regulation (FAR) for the most updated amount.

Questions for Review and Discussion

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

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

Notes

Objective 2.d: Procurement and Contract Administration

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

The grant recipient performs a cost or price analysis on all procurement action in excess of the Simplified Acquisition Threshold, including contract modifications. The method and degrees of analysis are dependent on the procurement situation, but the grant recipient must make independent estimates prior to receiving bids or proposals.

Citation

2 CFR 200.323

Instructions

- ❑ Review the grant recipient's procurement policies to gain an understanding of when and how the entity performs a cost or price analysis while making procurement decisions.
- ❑ While reviewing contracts, verify if the determination is appropriate to the nature of the agreement (e.g., fixed-price, performance-based, cost reimbursement, etc.).
- ❑ Use Tool G: Procurement History File to assist in completing this indicator.

Tips

- ◆ Independent estimate of costs using a cost or price analysis must be done prior to receiving bids and proposals. A price analysis is performed when price is the primary criterion for selection of the goods and/or services. A cost analysis is performed when price comparisons are not available. The requirement for a cost/price analysis not only applies to the original contract agreement but applies to contract modifications as well.
- ◆ The type of contract determines the cost and performance risks which are placed on the contractor. The contract types are grouped into two broad categories: fixed-price and cost-reimbursement contracts.
- ◆ The Uniform Guidance prohibits the use of cost plus a percentage of cost contracts as specified in 2 CFR 200.323. Such contracts may also be considered cost-plus-fixed fee in which the contractor is paid based on its costs and negotiated fixed fee, which minimizes the risk and responsibility in achieving performance. In addition, WIOA allows for performance-based contracts, specifically WIOA pay-for-performance contract strategy (20 CFR 683.500). Performance-based contracting is a results-oriented contracting method that focuses on outcomes that may tie at least to the achievement of specific, measurable performance standards and requirements. Its purpose is to obtain better performance for our grant awards. Refer to Grant Terms and Conditions on allowable contract types.
- ◆ The Uniform Guidance states that a grant recipient may not earn or keep profit resulting from Federal financial assistance unless it is expressly authorized by the terms and conditions of the Federal award.
  - Under WIOA secs. 121(d), 122(a) and 134(b), for-profit entities are eligible to be One-Stop operators, service providers, and eligible training providers. Income earned by a public or private nonprofit entity funded by WIOA may be retained by such entity only if such income is used to continue to carry out the program. When selecting a for-profit entity as a subrecipient, the guidelines on allowable profits apply. The grant recipient must negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. 2 CFR 200.323 requires that profit is reasonable and fair and be based on the contractor's efforts and risks in achieving performance results that

align with the performance measures outlined in the contract. Other entities may not earn profit under Federal awards. When selecting a for-profit entity as a subrecipient, the guidelines on allowable profits apply.

Questions for Review and Discussion

1. From the selection of contracts obtained in the previous indicator, did the grant recipient use a cost/price analysis for contracts in excess of the Simplified Acquisition Threshold? How does the grant recipient use cost/price analysis? Note that this review of a procurement history file can be done in conjunction with cost testing in Objective 3.f: Allowable Costs and Cost Classification.
2. Is the determination appropriate to the nature of the agreement (e.g., fixed-price, performance-based, cost reimbursement, etc.)?
3. Are the amounts paid consistent with the terms of the agreement?
4. Does the grant recipient negotiate profit as a separate element of the price for each contract?
5. For performance-based contracts, are the levels of performance reasonable for the level of payment? Are performance levels specified and negotiated in the contract met before payment is made?
6. Is profit recognized in whole dollars (not as a percentage of cost) and reasonable in terms of the services rendered or goods provided?
7. Did the grant recipient take into account the following factors to determine the amount of profit to be earned under the contract? Risk factors include:
   - Complexity of work
   - Risk borne by contractor
   - Contractor's investment
   - Amount of subcontracting
   - Record of past performance
   - Industry profit rates in the geographic area for similar work

Notes

Objective 2.d: Procurement and Contract Administration

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

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

Citation

2 CFR 200.326

Instructions

- ❑ Interview staff persons who are involved or familiar with the procurement and contracting process.
- ❑ Review recent contracts and subawards using the following templates to attest to compliance.
- ❑ Use Tool I: Contract Review Checklist and Tool H: Subaward Review Worksheet to assist in completing this indicator.

Tips

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

Questions for Review and Discussion

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

6. How does the grant recipient administer contracts and confirm the terms and conditions of the contract are being met?

7. Does the grant recipient have a process for the closeout of contracts? Does the contract closeout policies and procedures address the following:

   - ❑ Final payment?
   - ❑ Final deliverable of good and/or service?

8. Examine contracts and confirm that they contain the essential elements of a legally executed and binding written agreement as specified in contract law, which must contain at a minimum the following in writing:

   - ❑ Offer
   - ❑ Acceptance
   - ❑ Consideration
   - ❑ Authorized purpose
   - ❑ Authorized officials

9. The contract should include a specified SOW that outlines the goods or services being rendered in consideration or specified payments. The contract should specify the period of performance or the start and end date of the contract and the total amount of the contract should also be specified. Review the contract for the following:

   - ❑ Authorized Officials and Purpose. Authorized officials are persons authorized to enter into and sign legally binding agreements and must be on record as the signatory official. Signatures of both the parties to the contract must be evident and part of the written contract.
   - ❑ Additional contractual terms and conditions. Contracts must include such standard terms and conditions that are required by the Federal agency as national, State, or local policy requirements. Please refer to the terms in the grant agreement and Appendix II to 2 CFR Part 200.

10. How does the grant recipient maintain records sufficient to detail the history of the procurement? Include:

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

Notes

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.

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

The grant recipient adheres to OMB reporting package requirements for the grant awards including accurate, complete, and timely submission of reports that compare actual results to planned results, describes obstacles to achievement of grant objectives, and provides details on corrective actions.

The grant recipient has the sufficient infrastructure to accurately report on required performance measures. The grant recipient ensures its subrecipients collect and input data according to grant requirements.

Citations

2 CFR 200.328(b)(1), 20 CFR 641.700, 20 CFR 641.710, 20 CFR 641.720, 20 CFR 641.740, 20 CFR 641.879, SCSEP Data Collection Handbook Topic 64 (Revised), and Grant Terms and Conditions

Instructions

CMG Instructions

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

Performance Instructions

- ❑ Review the following documents (as applicable):
  - State Plan
  - Local Plan
  - State Performance Reporting Policies and Procedures
  - Local Performance Reporting Policies and Procedures
  - 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 inputted into the MIS.
- ❑ Utilize any errors found through case file review, where applicable, to inform the discussion for this Indicator.
- ❑ For questions about core partner program performance refer to Indicator 1.b.3: Partnerships.
- ❑ For Performance Specialist, refer to the expanded version of Objective 2.e in the Title I & Title III Supplement.

SCSEP Instructions

- ❑ Conduct timely required case management follow-ups after exit that are a critical component of performance outcome reporting.
- ❑ Review the Follow-Ups Preliminary Employment Rate/Median Earnings management report for all pending and outstanding follow-up required actions in the existing SCSEP performance and data collection system.
- ❑ Review the Performance Instructions above for review documents and interview instructions.

- ❑ Examine the performance trends.
- ❑ Review the grant recipient's progress to date in meeting its goals and/or objectives and the grant recipient's capacity to use performance data to evaluate and improve the quality of services and products delivered.
- ❑ Also review:
  - Most recent Customer Satisfaction Survey Report
  - Average project duration and individual project duration
  - SOW/State Plan/Local Plan/PIP
  - Quarterly Narrative Performance Reports
  - Annual Equitable Distribution report
  - Applicable Federal guidance (OAA, WIOA, Regulations, TEGLs, TENs, OWB, Uniform Guidance, FOA, SCSEP Programmatic Assurance, etc.)
- ❑ Examine enrollment levels in terms of the overall number of active participants compared with the number of available modified slots, the number of new participants, and the number of participants exiting the program.
- ❑ Compare each core SCSEP measure with the goal or target for that measure and overtime.
- ❑ Evaluate the tips below to determine if they are applicable to the SCSEP grant review.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

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

Performance Tips

- Many reporting errors come to light through case file review. A reminder that states 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, Reviewers 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 the Workforce Integrated Performance System (WIPS).
- When reviewing Local Area tools for data collection and entry here are a few things to consider:
  - Does the tool indicate content requirements for items such as case notes?
  - Does the tool indicate under what circumstances a case note is required?
  - Does the tool indicate timeframes for ensuring case notes are recorded in the MIS?

SCSEP Tips

- States are also advised through the SCSEP Data Validation Handbook on the data validation framework and ETA-specific source documentation parameters.

- Please consider and use professional judgment if the above Tips are appropriate for a SCSEP review.
- In accordance with 20 CFR 641.700, SCSEP core measures of grant performance includes the following:
  - Hours (in the aggregate) of community service employment
  - The percentage of project participants who are in unsubsidized employment during the second quarter after exit from the project
  - The percentage of project participants who are in unsubsidized employment during the fourth quarter after exit from the project
  - The median earnings of project participants who are in unsubsidized employment during the second quarter after exit from the project
  - Indicators of effectiveness in serving employers, host agencies, and project participants,
  - The number of eligible individuals served
  - The number of most-in-need individuals served (the number of participating individuals described in OAA 518(a)(3)(B)(ii) or (b)(2)).
- The DV process is only statistically required at the grant recipient level and not the subrecipient level.
- InfoSPACE is a tool to view the core performance measures over time, and to look at performance outcomes by different demographic dimensions like gender, age, race, or education level. Examining how outcomes differ for categories for these dimensions may help in diagnosing poor performance.
- The Quarterly Performance Report (QPR) handbook has extensive explanations of the meaning of each field on the QPR, and how to interpret them. This can be a critical tool in better understanding enrollment, customer flow and outcomes.
- Customer flow is a critical component of performance.
- The grant recipient should ensure that the staff capturing and recording data are familiar with the latest instructions for data collection, including ETA administrative issuances (e.g., TEGLs, Data Collection Handbook, Data Validation Handbook).
- Additional SCSEP resources/tools include:
  - Data Collection Systems QPR and Management Reports
  - QPR Handbook
  - Data Handbook
  - SCSEP Customer Satisfaction Report
  - InfoSPACE
  - Supplemental Measures Definitions and Use

Questions for Review and Discussion

CMG Questions

1. Does the grant recipient have a process in place to properly identify, collect, record, validate, and report the performance data required in the OMB-approved reporting package for the grant award?
2. Does the grant recipient collect all the required grant project data elements?
3. Are grant staff responsible for MIS data collection and reporting properly trained on the grant's performance reporting requirements, performance outcome definitions, and effective use of the MIS?
4. Have performance reports been submitted on a timely basis?
5. Is the data in the most recently submitted performance report accurate based on the actual activities and related results of the project for the period?

6. Does the most recently submitted narrative report accurately reflect the current status of the project for the period, including, if applicable, reasons why established goals were not met and/or additional pertinent information including analysis of financial performance is missing?

Performance Questions – State Level

7. How does the State prepare quarterly performance reports?
8. How does the State collect performance information from Local Areas?
9. How does the State verify that local performance information is accurate? Does the State have additional performance measures for Local Areas?
10. How is performance information shared between core partner programs?
    - What type of information is shared?
    - How frequently is data shared?
    - Does the grant recipient have data sharing agreements with partners?
11. Are there any plans to procure a cross-program case management system?
    - If not, what are the impediments to doing so?
12. Do all Local Areas use the same MIS?
    - If not, how does the State ensure the MIS can report effectively on the WIOA measures?
    - If so, how is the data from the Local Area MIS converted for use with data from the State MIS? How does the State reconcile any differences?
13. How are Reportable Individuals captured in the State's MIS?
    - Does the State have a policy about whether reportable individuals are counted in all programs, or under one program?
14. How does the State use quarterly wage data for performance accountability?
15. How does the State ensure that the individuals with supplemental wage and employment data are noted as employed?
16. How does the State track business services?
17. What kind of performance training has the State provided to the Local Areas?

Performance Questions – Local Area Level

18. How does the Local Area ensure staff input data correctly into the MIS?
19. What kind of training has been provided to staff?
20. How does the Local Area ensure uniformity in the collection and entry of data?
    - What tools does the Local Area use to ensure proper data collection and entry?
21. How does staff utilize the MIS's alert features?

SCSEP Questions

22. Did the grant recipient conduct the annual data validation (DV)? If so, what was the outcome noted in the DV report?
23. Does the grant recipient comply with the requirements of the Data Collection Handbook?

24. How does the grant recipient ensure that the staff capturing and recording data are familiar with the latest instructions for data collection, including ETA administrative issuances (e.g., TEGLs, Data Collection Handbook, & Data Validation Handbook)?

25. Does the grant recipient have policies and procedures in place that ensure?
    - ❑ Data collection and data entry meets required timelines (if so, are the policies passed-on to their subrecipients)
    - ❑ Penalties for failure to meet standards
    - ❑ Subrecipient responsiveness to grant recipient data validation result

26. Does the grant recipient rely on subrecipients to collect and enter the data into a data collection system? If so, how does the grant recipient ensure data integrity and timely entering of data into a data collection system?

27. Does the grant recipient communicate grant policy, data collection, and performance developments and directives to staff, subrecipients, and local project operators on a regular basis?

28. Upon review of performance trends, is performance improving, staying the same, or becoming worse over time? What is the grant recipient's best estimate of the final performance levels that will be achieved by grant-end? Does this estimate seem realistic given the trends to date?

29. Does the grant recipient have an acceptable year-to-date record rejection rate (less than 1% of active enrolled records) and act on rejected records when asked?

30. If the grant recipient's actual core measures of performance are 80 percent or less of planned levels, which factors seem to be having the most negative impact on performance outcomes (e.g., staff, program design, operational problems, etc.)?

31. Has the grant recipient developed a corrective action plan to rectify problems contributing to low performance? Has the plan been effective in improving results?
    - If not, what other action steps are needed to improve performance on these measures?

32. Does the grant recipient ensure the collection and reporting of all required data according to specified time schedules?

33. Does the grant recipient ensure the use of the OMB-approved data collection forms and data collection and evaluation system?

34. Has there been an increase or decrease in performance over time either in terms of percent of goal or target or in absolute terms?

Notes

Objective 2.e: Performance Management

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

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

Citations

2 CFR 200.328(b)(2)(i), 2 CFR 200.329(c)(2)(i), 20 CFR 641.700-750, Grant Agreement, and Grant Terms and Conditions

Instructions

CMG Instructions

- ❑ Review the grant recipient's progress to date in meetings its goals and/or objectives and the capacity to use performance data to evaluate and improve the quality of services and products delivered.
- ❑ Examine the most recently available enrollment reports and compare the number of participants currently being served to the number of enrollments planned for this period in the grant's implementation plan.
- ❑ Perform the same analysis of other service goals that are identified in the grant.
- ❑ If the grant is producing a product rather than providing services to individuals, compare work completed to date with the product goals identified in the grant's implementation plan.

Performance Instructions

- ❑ Review the following documents (as applicable):
  - State Plan
  - Local Plan
  - State Monitoring Policy and Procedure
  - Local Monitoring Policy and Procedure
  - State Monitoring Tools
  - Local Monitoring Tools
  - Evaluations
  - Customer Satisfaction Forms
- ❑ Review the documents listed above to understand the grant recipient or subrecipient's goals and how they evaluate progress toward those goals.
- ❑ Interview grant recipient and/or subrecipient staff to determine the mechanisms they employ to assess their service delivery and progress toward meeting the goals outlined in their plan. Determine how these assessments are used for continuous improvement and corrective action.
- ❑ For Performance Specialist, refer to the expanded version of Objective 2.e in the Title I & Title III Supplement.

SCSEP Instructions

- ❑ Interview the primary staff responsible for monitoring.
- ❑ Review the grant SOW.
- ❑ Interview staff responsible for administering the program of services.

- ❑ 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.
- ❑ Review the most recent ETA quarterly narrative report.
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

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

SCSEP Tips

- If the grant recipient is a Federal agency that receives and uses SCSEP funds under interagency agreements, it must submit project financial and progress reports in accordance with this section.

Questions for Review and Discussion

CMG Questions

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

Performance Questions

7. What corrective actions have been taken by the grant recipient to address current and past challenges?
8. What tools does the State and Local Area use to monitor or assess progress toward performance goals, Governor's priorities, and other workforce system goals?
9. How does the State track both its own progress toward performance goal attainment and that of its Local Areas?
10. How is customer satisfaction information, from job seekers and employers, being collected?
    - How are the results used?
11. How do the Local Area utilize all the performance management report features of the MIS?
    - What kind of reports does the subrecipient commonly utilize to aid their performance management?

12. How is performance data used for corrective action and continuous improvement?
13. Have any Local Areas been sanctioned for low performance?
14. How does the grant recipient apply sanctions to underperforming subrecipients?
15. What evidence is used to determine whether a subrecipient should be sanctioned?

SCSEP Questions

16. Is the information reviewed in the monitoring tools aligned to both individual grant goals and the Federal requirements? If not, what is missing?
17. Does the SCSEP grant recipient have processes or procedures in place for addressing performance when 80 percent of their aggregate goals and/or 80 percent of each individual performance goal on the seven SCSEP core measures are not met?
18. Does the grant recipient regularly review performance? Is there a regular performance review scheduled? Who participates?
19. Does the grant recipient provide regular training in the performance measures and managing to performance?
20. Are the monitoring protocols and instructions clear and adequate to guide the monitoring process? Are the monitoring tools adaptable to all grants, or are there individual tools for each grant and subrecipient?
21. Does the grant recipient provide the monitoring tool to subrecipients and local project operators?
22. How does the grant recipient develop its subrecipient monitoring schedule? Is it followed?
23. How are subrecipients and local project operators notified of monitoring plans?
24. Are all elements of every grant and subrecipient SOW monitored on a regular basis?
25. Does the organization maintain written documentation including monitoring reports, findings, corrective actions, and resolutions for each grant monitored?
26. Does the grant recipient's implementation plan directly link project activities to project goals and include appropriate time frames, staff assignments level of effort for each major project activity?
27. Is the implementation plan used as a tool to measure planned versus actual activity as a means of tracking the progress toward goal achievement?
28. What is the grant recipient's rate of enrollment (service level)?
29. How does this enrollment (service level) compare with the grant recipient's service level goal?
30. If achievement of service goals varies significantly from projected levels, what are the causes for such variances?
31. Does the grant recipient have a system in place to promptly increase enrollments or service hours when expenditures are lagging and decrease them when expenditures are greater than planned? Does this plan also ensure that inconveniences to participants and host agencies are minimized, such as avoiding last-minute changes in service hours?
32. What corrective actions have been taken by the grant recipient to address current and past performance challenges?
33. How are customer satisfaction survey results used?

34. How is performance data used for corrective action and continuous improvement?

35. Have any subrecipients been sanctioned for low performance?

36. How does the grant recipient apply sanctions to underperforming subrecipients?

37. What evidence is used to determine whether a subrecipient should be sanctioned?

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 DV framework that ensures a consistency and comparability across programs and complies with ETA parameters and source documentation requirements.

Citations

20 CFR 677.240, TEGL 07-18, and TEGL 23-19

Instructions

CMG Instructions

- ❑ Review the following documents (as applicable):
  - ETA Quarterly Performance Feedback Provided to Grant Recipient
  - Data Validation Policy and Procedure
  - Monitoring Policy and Procedure
  - Case files
  - Most Recent Data Validation Review Documentation
  - Data Validation Finding and Corrective Action Reports
- ❑ Review the documents listed above to understand the grant recipient's data validation strategy.
- ❑ Interview grant recipient to determine whether the data validation strategy codified in their policy and procedure is being employed, whether training is being conducted, and the types of findings and corrective actions that occur as a result of data validation and data integrity reviews.
- ❑ Review 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.
- ❑ For Performance Specialist, refer to the expanded version of Objective 2.e in the Title I & Title III Supplement.

SCSEP Instructions

- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section

Tips

CMG Tips

- ◆ Grant recipients may create their own data validation strategy which conforms to the parameters outlined in TEGL 7-18 and TEGL 23-19. The frequency with which they employ that strategy is also up to their discretion, though quarterly is recommended. They are only required to codify their strategy in policy and procedure. The policy and procedure must include:
  - A description the process for identifying and correcting errors or missing data,
  - Regular data validation training for appropriate program staff (ETA recommends annual training),
  - Monitoring protocols to ensure that staff are following the written data validation policy and procedures and take appropriate corrective action if those procedures are not being followed,
  - Regular data integrity review of program data (ETA recommend quarterly) for errors, missing data, out-of-range variances in values reported, and other anomalies,

- Documentation that missing and erroneous data identified during the review process has been corrected,
- Documentation process for maintaining records which may include: copies of worksheets on data elements or records reviewed, frozen quarterly wage records for wage record matching used for reporting outcomes, trends in common data accuracy issues, error rates, and corrective action efforts made after data validation reviews, and
- Regular assessments of the effectiveness of the data validation process (ETA recommends at least annually) and revisions to policy and process as needed.

- When conducting a review of their data validation results, Reviewers should note any instance where their review differs from the grantee's review of the element. Reviewers should also note whether there are patterns in the types of errors in data. It is helpful to do this type of review prior to monitoring the grant recipient, as the results may provide insight into systemic issues that need to be addressed or further explored.

SCSEP Tips

- SCSEP DV is an efficient method for monitoring subrecipients and local area data collection, reporting, and performance. By having grant recipients perform a standardized DV methodology, ETA can confirm the quality of the information used to assess the effectiveness of the SCSEP program. Grant recipients may create their own data validation strategy which conforms to the parameters outlined in the SCSEP Data Validation Handbook, TEGL 7-18 and TEGL 23-19. The frequency with which they employ that strategy is also up to their discretion, though quarterly is recommended and annual DV is required. Grant recipients s are required to codify their sampling methodology and strategy in policy and procedure. More specifically, DV is designed to accomplish the following goals:
  - Provide tools that help grant recipients analyze participant eligibility and the causes of performance successes and failures.
  - Match data elements against source documents to verify compliance with federal definitions, which provides grant recipients the opportunity to correct any identified problems.
  - Calculate an error rate for each data element validated, helping to ensure that critical eligibility and performance data used to meet ETA's Government Performance and Results Act (GPRA) responsibilities and grant recipients' Congressionally mandated performance goals are reasonably accurate.
  - Minimize the burden on grant recipients by providing a web-based DV system that displays individual participant records by grant recipients or subrecipients and provides built in random samples, validation worksheets, and automated validation reports.
  - Further minimize the burden on grant recipients by selecting the smallest possible validation samples necessary to calculate valid error rates. In the limited situations where DV requirements change after data in the performance sample was collected, validators are required to use the requirements in effect on the date when they do the validation. This will enable grant recipients to see where there needs to be changes in practice or additional training to comply with the current rules.

Questions for Review and Discussion

CMG Questions

1. What is the grant recipient's DV strategy?
2. What software, if any, is used to conduct DV?
3. Does the grant recipient use a specific statistical validation sampling methodology?
   - How is it employed?
   - What does the grant recipient deem a sufficient representation of records for each program, and for each required element in that program?

4. 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?
5. How does the grant recipient train appropriate programs staff on DV?
    - How often does training occur?
6. How are monitoring protocols linked to the DV policy and procedures?
7. How does the grant recipient ensure the DV procedures are being followed?
8. How often does the grant recipient conduct data integrity reviews of program data?
    - Who conducts those reviews?
9. What does a typical data integrity review entail?
10. How are the results memorialized?
    - How are the results used?
11. How does the grant recipient document the correction of missing and erroneous data identified during a review?
12. How does the grant recipient maintain records such as copies of worksheets on data elements or records reviewed, frozen quarterly wage records for wage matching used for reporting outcomes, trends in common data accuracy issues, error rates, and corrective action efforts made after data validation reviews?
13. How does the grant recipient assess the effectiveness of the DV process?
    - How often does this type of assessment occur?
14. How does the grant recipient utilize quarterly feedback provided by ETA regarding performance report anomalies, outliers, and other potential data quality issues?
15. How does the grant recipient validate information included in the WIOA annual report?
16. Where self-attestation is used as an acceptable form of source documentation, how often does the grant recipient perform a data integrity review to ensure the validity and reliability of those elements?

SCSEP Questions

17. Does the grant recipient conduct the DV process in conformance with the SCSEP Data Validation Handbook?
18. Does the grant recipient collect all required eligibility documentation and source documentation?
19. Does the grant recipient conduct the DV process in a timely manner?
20. Who is responsible for conducting DV?

Notes

Objective 2.f: Subrecipient Management & Oversight

If applicable and as a PTE, the grant recipient manages all its subrecipients and tracks their performance and compliance in meeting the terms and conditions of the subaward.

(C) Indicator 2.f.1: Subrecipient and Contractor Determination

The grant recipient, when acting as a PTE, has determined whether each agreement cast the party in the role as a subrecipient or contractor.

Citations

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

Instructions

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

Tips

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

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

Questions for Review and Discussion

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

Notes

Objective 2.f: Subrecipient Management & Oversight

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

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

Citations

2 CFR 200.205; 2 CFR 200.207; 2 CFR 200.213; 2 CFR 200.318; 2 CFR 200.331; 2 CFR 2900.3; TEGL 2-12

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section

Tips

CMG Tips

- ◆ The System for Award Management (SAM) is a Federal awards system (managed by the GSA), for reporting on the performance and integrity of recipients of Federal awards. This system is available to the public and can be used by the PTE as part of its pre-award risk analysis to ensure that it is awarding subawards to reputable subrecipients.

SCSEP Tips

- ◆ Subrecipients are now required to register in SAM and obtain a Unique Entity Identifier (UEI) Number that the grant recipient will use to track their subawards and when filing other mandatory federal reports in such systems as Federal Funding Accountability and Transparency Act (FFATA). This requirement begins when the UEI system is rolled out by the General Services Administration (GSA).

Questions for Review and Discussion

CMG Questions

1. Does the grant recipient, acting as a PTE, evaluates each subrecipient's risk of compliance with Federal statutes, regulations, and the terms and conditions of the subaward?
2. Does the PTE have written procedures and evaluation factors for selecting subrecipients?
3. Does the risk-based approach include?
   - Financial stability
   - Quality of management systems and ability to meet management standards
   - History of performance
   - Reports and findings from audit performed under Subpart F – Audit Requirements
   - Ability to effectively implement statutory, regulatory, and other requirements
   - Findings and questioned costs from past monitoring reports

4. As a result of the review of risk posed by potential subrecipients, did the PTE place any specific awards conditions as described in 2 CFR 200.207?
5. Does the PTE have procedures in place to check if the subawardee/subrecipient is not debarred or a suspended party prior to making a subaward?
6. Did the PTE check SAM.gov to ensure that contractors and/or subrecipients are not disbarred or suspended from receiving Federal funds?
7. Does the grant recipient have procedures to report allegations of fraud, program abuse or criminal conduct involving subrecipients receiving Federal funds either directly or indirectly from ETA?

SCSEP Questions

8. For any grant recipient with subawards, is it tracking their subrecipients compliance with the UEI requirements?

Notes

Objective 2.f: Subrecipient Management & Oversight

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

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

Citations

2 CFR 200.331, 2 CFR 200.333, and 2 CFR 200.338

Instructions

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

Tips

- ◆ PTEs have additional responsibilities, as it is important to emphasize that a subrecipient carries out an integral part of the Federal program on behalf of the PTE. The subrecipient is, in effect, an agent of the PTE and acts on behalf of the PTE in the same manner as if the PTE itself were doing the work. However, subrecipients must also comply with all of the rules and requirements that apply to the grant recipient's use of Federal funds.

Questions for Review and Discussion

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

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

Notes

Objective 2.f: Subrecipient Management & Oversight

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

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

Citations

2 CFR 200.331, 20 CFR 683.410(b), and OAA 502(b)(1)(J),

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

Tips

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

Questions for Review and Discussion

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

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

Notes

Objective 2.g: Records Management

The grant recipient maintains a system and implements procedures to manage and secure all financial records, supporting documents, statistical records, and all other records pertinent to the Federal award.

(C) Indicator 2.g.1: Record Retention

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

Citations

2 CFR 200.333 - 200.337, 20 CFR 641.879, Grant Agreement, Grant Terms and Conditions, and SCSEP Data Collection Handbook Topic 64 (Revised)

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

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

SCSEP Tips

- ◆ The SCSEP program assurances, which are incorporated into grant recipient's agreements, provide additional language to require grant recipients to maintain participant files for three years after the program year in which the participant received their final follow-up activity.

Questions for Review and Discussion

CMG Questions

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

SCSEP Questions

6. Does the grant recipient maintain participant hard copy files for three years after the program year in which participants receive their final follow-up activity?

Notes

Objective 2.g: Records Management

(C) Indicator 2.g.2: Accessibility

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

Citation

2 CFR 200.336

Instructions

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

Tips

- ETA, the Department of Labor Inspector General, the Comptroller General of the United States, the PTE, and/or any of their authorized representatives have the right of access to any documents, papers, or other records (including electronic writings and records) of the grant recipient that are pertinent to the Federal award to make audits, monitoring reviews, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the grant recipient's personnel for interviews and discussions related to such documents.
- For WIOA title I grant recipients, the Director at the Office for Civil Rights has the same rights of access described per the requirements of 29 CFR Part 38.

Questions for Review and Discussion

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

Notes

Objective 2.g: Records Management

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

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

Citations

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

Instructions

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

Tips

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

Questions for Review and Discussion

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

Notes

Objective 2.g: Records Management

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

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

Citations

2 CFR 200.334 and 2 CFR 2900.18

Instructions

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

Tips

- ◆ ETA allows for contingency provisions at 2 CFR 2900.18 for record retention records and transfer of records. The grant recipient should set aside grant funds for record retention activities subsequent to the grant's period of performance.

Questions for Review and Discussion

1. Does the record retention requirement address circumstances under which custody of the records should be transferred to the grant recipient?
2. Is there a disaster plan in place to ensure that records are adequately safeguarded in a time of a disaster? Are there back up files?
3. If applicable, does the PTE have procedures to retain its subrecipient's records as directed by ETA after the grant's period of performance?
4. Does the grant recipient have procedures in place to set aside grant funds for record retention activities subsequent to the grant's period of performance?

Notes

Objective 2.h: Personnel

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

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

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

Citations

2 CFR 200.430(a)(1)-(2) and 20 CFR 641.841

Instructions

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

Questions for Review and Discussion

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

SCSEP Question

7. Does the grant recipient have a current nepotism policy or processes in place to ensure that neither it or its subrecipients hire, or no Host Agency serves as a worksite for, a participant in a community service assignment if a member of that participant's immediate family is engaged in a decision-making capacity (whether compensated or not)? If not, why?

Notes

Objective 2.h: Personnel

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

The grant recipient staffs positions with responsible individuals.

Citations

2 CFR 200.113, 2 CFR 200.427, 20 CFR 683.620, TEGL 2-12, and 20 CFR 641.430(b),

Instructions

- ❑ Review documentation that lists organizational chart positions, qualifications for the positions as delineated on job descriptions, and the qualifications of staff currently employed in each position.
- ❑ If appropriate, make a sample to document and interview grant staff.

Questions for Review and Discussion

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

Notes

Objective 2.h: Personnel

(C) Indicator 2.h.3: Salaries

Salaries and bonuses are reasonable and comparable to the local labor market and within the Executive Level II threshold established by the Office of Personnel Management (OPM).

Citation

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

Instructions

- ❑ Interview the executive staff person responsible for the direction and management of the organization.
- ❑ Obtain a list of personnel charging time to the grant (full-time and partial time).
- ❑ Use Tool R: Documentation of Personnel Services to assist in completing the indicator.

Tips

- ◆ In compliance with Public Law No. 111-117 (Division D, Sec. 107): "None of the funds appropriated in the Act under the heading 'Employment and Training' shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II. This limitation shall not apply to vendors providing goods and services as defined in Office of Management and Budget (OMB) Circular A-133."

  Note: *The term "vendor" has been replaced with the term "contractor" as defined at 2 CFR 200.23, in which, a contractor is an entity that receives a contract as defined in 2 CFR 200.22.*

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

Questions for Review and Discussion

1. Are salaries and fringe benefits reasonable to the extent that they are comparable to those paid for similar work in the same labor market?
2. Are bonuses, raises, leave practices, etc. covered in written personnel policies?
3. Select a sample from the top positions within the organization (and the Board, if applicable), and validate the compensation packages for each. Is compensation for top positions reasonable/in-line with local labor market information?

4. Is there sufficient documentation to support the salaries and fringe benefits charged to this grant/project? See Objective 3.g: Cost Allocation/Indirect Costs.
5. For competitive awardees only, are current project staffing patterns and salaries in accordance with the number of positions and salaries approved in the grant agreement? If there are deviations, have they been approved by the Grant Officer?
6. For competitive awardees only, if there are deviations in both salary structure and the number of positions funded, has the grant recipient notified ETA of these changes? If required, has the grant recipient requested a budget modification?
7. For funds appropriated under ETA appropriations only, are salaries and bonuses paid from grant funds in compliance with the salary and bonus limitation of the Executive Level II on the Federal Executive pay scale?
8. Did the grant recipient properly report highly compensated employees in the FSRS.gov database? Did the grant recipient provide proof?

Notes

Objective 2.h: Personnel

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

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

Instructions

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

Questions for Review and Discussion

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

Notes

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

The grant recipient has a system in place to ensure the Federal Civil Rights complaints, program complaints, grievances, and incidents are handled properly and in accordance with Federal requirements.

(C) Indicator 2.i.1: Policies and Procedures

Policies and procedures are in place that demonstrate the grant recipient's compliance and commitment to the requirements of applicable civil rights laws and regulations.

Citations

Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Age Discrimination Act of 1975, The Americans with Disabilities Act of 1990, ADA Amendments Act of 2008, Section 504 of the Rehabilitation Act of 1973, WIOA sec. 188, 2 CFR 200.300, 2 CFR 2900.4, 29 CFR Part 31, 29 CFR Part 32, 29 CFR Part 35, 29 CFR Part 37, 29 CFR Part 38, and 49 CFR Part 25

Instructions

- There are three types of allegations:
  - discrimination
  - program related complaints and grievances
  - fraud or other forms of criminal misconduct
- Each type has its own unique requirements and actions that the grant recipient must take.
- Discrimination. Interview the grant recipient's Equal Opportunity (EO) officer and/or staff assigned responsibility for ensuring the organization's compliance with the following requirements:
  - Title VI and Title VII of the Civil Rights Act of 1964
  - Title IX of the Education Amendments of 1972
  - Age Discrimination Act of 1975
  - The Americans with Disabilities Act of 1990 and the ADA Amendments Act of 2008
  - Section 504 of the Rehabilitation Act of 1973
  - WIOA sec. 188
  - 2 CFR 200.300
  - 2 CFR 2900.4
  - 29 CFR Part 31
  - 29 CFR Part 32
  - 29 CFR Part 35
  - 29 CFR Part 38
  - 49 CFR Part 25
- The rule states that discrimination on the basis of transgender status, gender identity, or sex stereotyping are forms of sex discrimination, in accord with similar developments under other civil rights laws.
- Program related complaints and grievances. Interview the grant recipient's EO officer and/or staff assigned responsibility for ensuring the organization's compliance with the following requirements:
  - WIOA sec. 181
  - 20 CFR 683.600 and 683.610
  - 20 CFR Part 658 for Wagner Peyser
- Fraud and other forms of criminal misconduct. Interview the grant recipient's EO officer and/or staff assigned responsibility for ensuring the organization's compliance with the following requirements:

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

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

Tips

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

Questions for Review and Discussion

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

   Note: *Recipients must indicate that the WIOA title I financially assisted program or activity in question is an "equal opportunity employer/program", and that "auxiliary aids and services are available upon request to individuals with disabilities."*
3. Does the grant recipient have a system for periodically monitoring its compliance with the EO law?
4. Does the grant recipient prominently post an "EO Is the Law" notice with wording mirroring 29 CFR 38.35?
5. Does the grant recipient have any previously submitted cases awaiting decision from the Civil Rights Center? If yes, contact the Civil Rights Center Office of External Enforcement at 202-693-6502 for updates on these cases.

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

(C) Indicator 2.i.2: Notices

Notices (in languages appropriate to the populations served) are visibly posted to inform staff, project participants, and service providers of the discrimination complaint process, EO, and Section 504 policies.

Citations

Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Age Discrimination Act of 1975, Americans with Disabilities Act of 1990, ADA Amendments Act of 2008, Section 504 of the Rehabilitation Act of 1973, WIOA sec. 188, 2 CFR 200.300, 2 CFR 2900.4, 29 CFR Part 31, 20 CFR 641.827(c), 29 CFR Part 32, 29 CFR Part 35, 29 CFR Part 37, 29 CFR Part 38, and 49 CFR Part 25

Instructions

CMG 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.

SCSEP Instructions

- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Questions for Review and Discussion

CMG Questions

1. Are notices prominently posted in a reasonable number of places, including electronic medium, to include administrative and service delivery areas, and are they available in appropriate formats to individuals with visual impairments?
2. If a significant number of the population eligible to be served speaks a language or languages other than English, has the grant recipient taken reasonable steps to provide the notice in the appropriate language(s)?
3. Do employment notices, participant recruitment flyers, or other written materials published by the grant recipient contain a statement providing the required written EO notice?

SCSEP Questions

4. Does the grant recipient provide informational materials to their participants relating to age discrimination and/or their rights under the Age Discrimination in Employment Act of 1975?

Notes

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

(C) Indicator 2.i.3: Facilities

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

Citations

Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Age Discrimination Act of 1975, The Americans with Disabilities Act of 1990, ADA Amendments Act of 2008, Section 504 of the Rehabilitation Act of 1973, WIOA sec. 188, 2 CFR 200.300, 2 CFR 2900.4, 29 CFR Part 31, 29 CFR Part 32, 29 CFR Part 35, 29 CFR Part 37, 29 CFR Part 38, and 49 CFR Part 25

Instructions

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

Tips

- ◆ Facilities for workforce programs or programs required to adhere to 29 CFR Part 38 must ensure and enhance access to the system, in particular for people with disabilities, individuals with limited English proficiency, transgender individuals who may face various forms of sex discrimination, and individuals who are pregnant, have had a child or have related medical conditions.
- ◆ For additional information, please refer to DOL-ODEP webpage.

Questions for Review and Discussion

1. Does the location and facility meet physical access requirements?
2. Are services provided at the grant recipient's office(s) accessible to handicapped individuals?
3. Does the location and facility meet the requirements for individuals with limited English proficiency?
4. Does the location and facility meet provide accommodations for participants and other beneficiaries of the workforce system?
5. One-Stop partners in a local One-Stop delivery system must share in the costs of assistive technology for participants and beneficiaries of the workforce system. Are such costs being shared by the grant recipient?

Notes

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

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

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

Citations

WIOA sec. 188, 20 CFR 641.910, 20 CFR Part 658, 20 CFR 683.600-683.650, 20 CFR 683.700, 20 CFR 641.900-930, and Grant Terms and Conditions

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Questions for Review and Discussion

CMG Questions

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

6. Does the policy and procedures provide for an opportunity for informal resolution and hearing to be completed within 60 days of date of filing? Did the grant recipient adhere to the 120 days deadline for appeals?

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

SCSEP Questions

7. Does the grant recipient have a grievance procedure for resolving complaints as described in 20 CFR 641.910?

Notes

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

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

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

Citations

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

Instructions

- ❑ Review the incident reporting policy.

Tips

- The Uniform Guidance establishes a mandatory disclosure requirement for grant recipients and subrecipients to disclose in writing to the Federal awarding agency or pass-through entity violations of Federal criminal law involving fraud, bribery or gratuity violations that potentially affect the Federal award. Incidents, on the other hand, involve actions that may be criminal in nature, or at least there are suspicions that criminal activity is occurring.
- Incidents are events involving:
  - Fraud, misfeasance, nonfeasance, or malfeasance
  - Misapplication of funds
  - Gross mismanagement
  - Employee or participant misconduct
  - Waste and program abuse
  - Other criminal activities
- TEGL 2-12 describes fraud and the various "feasances" (misfeasance, nonfeasance, and malfeasance) as follows: Any alleged deliberate act which may violate federal statutes or regulations. It includes but is not limited to bribery, forgery, extortion, embezzlement, theft of participant checks, kickbacks from participants or contractors, intentional payments to a contractor without the expectation of receiving services, payments to ghost enrollees, misuse of appropriated funds, and misrepresenting information in official reports.

Questions for Review and Discussion

1. Is the grant recipient aware of any incident described above and were these allegations immediately reported through the DOL incident reporting system?
   Note: *The grant recipient is not expected to be able to determine whether the allegations or suspicions are true or not before reporting them to the OIG. The grant recipient is not allowed to delay reporting such allegations or suspicions. The grant recipient must report, in addition to explicit allegations of criminal wrongdoing, all complaints that raise questions about criminal wrongdoing or even what suspicions of such wrongdoing. It is the grant recipient's responsibility to report these events, and not determine whether they are true or not.*
2. Did the grant recipient document and report these incidents consistent with form DL 1-156 and submitting them to OIG and ETA?
   Note: *When the threat is immediately imminent or involves a substantial amount of funds, you must report this to OIG even more quickly. Where imminent health or safety concerns exist and/or imminent loss of funds exceeds $50,000, they must be reported to the OIG and ETA immediately by telephone followed by a written Incident Report (IR) no later than one working day. The incident report may be filed through the DOL Hotline - Office of Inspector General 1-800-347-3756 or 202-693-6999.*

Notes

CORE ACTIVITY 3: FINANCIAL MANAGEMENT



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

INTRODUCTION

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

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

Objective 3.b: Accounting System and Financial Reporting: An accounting system is in place that allows the grant recipient to maintain accurate, current, and complete disclosure of the grant's financial results and those of its subrecipients

Objective 3.c: Payment and Cash Management: The grant recipient has a payment and cash management system in place to accurately track the receipt, disbursement and recording of funds between the awarding agency and grant recipient. Such systems should readily track the handling of grant funds to subrecipients, contractors, and participants.

Objective 3.d: Match and Leveraged Resources: If applicable, the grant recipient has written policies and procedures in place to record and support any required match or leveraged resources committed or identified in the award or program regulations.

Objective 3.e: Program Income: The grant recipient has written policies and procedures in place to accurately record and expend the program income in compliance with applicable Federal statutes, implementing regulations, the terms and conditions of the grant award.

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

Objective 3.g: Cost Allocation/Indirect Costs: The grant recipient allocates costs including indirect costs to the benefitting cost objectives based on relative benefits received and treats allocated costs consistently within its accounting system.

Objective 3.h: Audits and Audit Resolution: The grant recipient adheres to the single or program-specific audit requirements and has an audit resolution process in place including debt collection for its subrecipients.

Instructions

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

- Focus specifically on management systems that relate to internal controls, financial reporting, payment and cash management, match and leveraged resources, program income, allowable costs/cost classification, cost allocation and indirect costs, and audits and audit resolution.
- If further review of any of these systems is necessary based on the Reviewer's findings, obtain copies of all documents relevant to the Reviewer's findings to share with management in the Regional Office and/or with National Office staff, as appropriate.

If a compliance indicator is not met, it will result in a finding due to a violation (condition) of a specific compliance requirement contained in law, regulations, Uniform Guidance, national policies, Grant Terms and Conditions, ETA policy guidance, and/or the grant agreement. Negative responses to an indicator will lead to a determination of noncompliance. Ensure to collect evidence as adequate documents must support written findings and be contained in the review file.

CORE ACTIVITY 3 – FINANCIAL MANAGEMENT

Summary of Objectives and indicators

Objective 3.a—Internal Controls

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

Objective 3.b—Accounting System and Financial Reporting

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

Objective 3.c—Payment and Cash Management

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

Objective 3.d—Match and Leveraged Resources

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

Objective 3.e—Program Income

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

Objective 3.f—Allowable Costs and Cost Classification

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

Objective 3.g—Cost Allocation/Indirect Costs

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

Objective 3.h—Audits and Audit Resolution

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

Objective 3.a: Internal Controls

Effective control, integrity, and accountability are maintained for achievement of the grant's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.

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

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

Citations

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

Instructions

- ❑ Interview leadership, such as a Board members, executives, and senior management on the internal control structure in place and used to administer the grant/project.
- ❑ Review the grant recipient's control environment, this 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 frequency of exceptions to policies and/or processes that impact internal controls.
- ❑ Use Tool L: Separation of Duties Worksheet to assist in completing the indicator.
- ❑ Use Tool K: Policies and Procedures Checklist to assist in completing the indicator.

Tips

- Grant recipients and subrecipients are responsible for efficient and effective administration of an award through use of sound management practices; and administering Federal funds in compliance with agreements, program objectives, and the terms and conditions of Federal award as identified in policy guidance at 2 CFR 200.400.
- Internal controls are defined in the Uniform Guidance as a **process** designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
  - Effectiveness and efficiency of operations
  - Reliability of reporting for internal and external use
  - Compliance with applicable laws and regulations
- Internal controls also serve as the first line of defense in safeguarding assets and preventing and detecting errors, fraud, and violations of laws, regulations, and provisions of contracts and grant agreements. However, the cost of a control should not exceed the benefit to be derived from it.
- Staff at every level of an organization affect internal controls and to some degree, it is everyone's responsibility. Effective internal controls are a built-in part of the management process (e.g., plan, organize, direct, and control). Internal controls can provide only reasonable assurance, not absolute assurance, regarding the achievement of an organization's objectives. There are several reasons why internal controls cannot provide absolute assurance that objectives will be achieved: cost/benefit realities, collusion among employees, and external events beyond an organization's control.
- The Uniform Guidance increased emphasis on internal controls by providing the requirement in the *Standards for Financial and Program Management* (2 CFR 200.303). Effective grant management includes:

- Segregation of duties
- Written policies and procedures
- Training
- Internal controls
- Effective oversight
- Effective communication and information sharing

- A smaller entity may face some challenges in segregating duties because it has a smaller number of staff to whom it can assign responsibilities and authority in the organizational structure. Management, however, can respond to this increased risk through the design of the internal control system, segregating incompatible duties to the extent possible, and where it is not practical, designing compensating alternative controls.
- The written policies and procedures that are required by the Uniform Guidance are outlined in question #3 below. Other written policies and procedures that are part of a portfolio of sound grant management practices include the following:

  - Chart of Accounts and accounting system
  - Budget controls and modifications
  - Grant revenues/receivables
  - Payments and accounts payables (in addition to above), including approval process
  - Audits and audit resolution
  - Financial reporting
  - Program or performance reporting
  - Cash management and bank reconciliations
  - Human resources—hiring and selection (in addition to the above)
  - Program and interest income
  - Complaints and grievances
  - Incident reporting
  - Participant and program services
  - Monitoring
  - Property/equipment management
  - Record retention
  - Match and leveraged resources
  - Board policy and procedures
  - Standards of conduct and conflict of interest

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

Questions for Review and Discussion

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

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

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

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

- ❑ Payments - 2 CFR 200.302(b)(6) and 2 CFR 200.305
- ❑ Allowable Costs - 2 CFR 200.302(b)(7)
- ❑ Procurement - 2 CFR 200.318
- ❑ Competition - 2 CFR 200.319
- ❑ Method for Evaluation and Selection - 2 CFR 200.320
- ❑ Compensation—Personal Services - 2 CFR 200.430
- ❑ Compensation—Fringe Benefits - 2 CFR 200.431
- ❑ Employee Relocation Costs - 2 CFR 200.464
- ❑ Travel Costs - 2 CFR 200.474

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

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

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

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

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

Notes

Objective 3.a: Internal Controls

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

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

Citations

2 CFR 200.61(a) and 2 CFR 200.62

Instructions

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

Tips

- ◆ The primary purpose of financial and performance reporting is to provide information about the progression and results of a Federal award. Because this information is utilized by the highest level of government, it is important that there are strong controls surrounding the reporting and reviewing of all performance and financial reports.

Questions for Review and Discussion

1. Is access to the financial and performance reporting system limited to appropriate personnel?
2. Are passwords used and is access to the systems reviewed on a timely basis?
3. Is there proper segregation of duties between individual(s) that complete the financial report and supervisor(s) that review the data entered (e.g., separate PINs and passwords)?
4. Are all transactions recorded accurately, timely, and correctly summarized and posted in the financial management system?
5. Does the financial management system provide for the following?
   - ❑ Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received
   - ❑ Federal program
   - ❑ Federal award identification including as applicable, the following:
     - Catalog of Federal Domestic Assistance (CFDA) title and number
     - Federal award identification number and year
     - Name of Federal agency
     - Name of pass-through entity, if any

Notes

Objective 3.a: Internal Controls

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

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

Citations

2 CFR 200.61(a), 2 CFR 200.62, and 2 CFR 200.303(a)-(c); 20 CFR 641.565, 20 CFR 641.570(a), 20 CFR 641.833, 20 CFR 641.836, 20 CFR 641.839, 20 CFR 641.841, 20 CFR 641.844, and 20 CFR 641.910

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

- An effective policy or procedure is one that is consistent with legal and regulatory requirements and is stated as ***clearly*** as possible, using precise language when needed; and is unambiguous. Policies and procedures should be written at an appropriate level of detail. This may be different for a policy versus a procedure, as policies are often broader statements; not intended to cover every possible option. It should identify restrictions and prohibitions (though procedures should be more specific to avoid confusion and misunderstanding).
- The best way to ensure that policies and procedures stay current is to have a regular review process. The review process should include asking staff if procedures are being used as written or if "informal" changes been made. To gather this information, it is important to assign oversight responsibilities for reviewing specific policies and procedures appropriately.

SCSEP Tips

- For a grant recipient to terminate a participant "for cause" the grant recipient must have an approved "for cause" termination policy from ETA.
- Any participant who is terminated from the program must receive a 30-day termination letter that clearly explains the reason for termination and includes its grievance procedures as required in 20 CFR 641.910 (also see Indicator 2.i.4: Grievance and Complaint System for further guidance on grievance policy).

Questions for Review and Discussion

CMG Questions

1. Has the grant recipient update its policies and procedures to reflect changes and updates contained in the Uniform Guidance, EEO, if applicable, WIOA, and other applicable regulations? Examine a selected number of policies to confirm.

2. What actions or steps does the grant recipient take to ensure compliance with applicable laws and regulations governing the program or grant?
3. Does the grant recipient evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of Federal awards?
4. What training is provided to staff to ensure compliance with regulations and laws?
5. Does the grant recipient take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings, including actions related to a subrecipient?
6. Has the entity taken reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive, or the grant recipient considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and obligations of confidentiality?

SCSEP Questions

7. What polices and/or procedures does the grant recipient have in place to ensure compliance with the following regulatory requirements?

- ❑ Termination policy as referenced in 20 CFR 641.910
- ❑ Individual Durational Limit as referenced in 20 CFR 641.570(a)
- ❑ Wages and benefits policies as referenced in 20 CFR 641.565
- ❑ Grievance and complaint policy as referenced in 20 CFR 641.910
- ❑ Nepotism policy as referenced in 20 CFR 641.841
- ❑ Unions as referenced in 20 CFR 641.839
- ❑ Political patronage as referenced in 20 CFR 641.833
- ❑ Political activities as referenced in 20 CFR 641.836
- ❑ Maintenance of effort policy as referenced in 20 CFR 641.844

Notes

Objective 3.a: Internal Controls

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

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

Citation

2 CFR 200.302(b)(4)

Instructions

- ❑ Review the grant recipient's asset management procedures to ensure that there are proper safeguards to protect all assets.
- ❑ Use Tool L: Separation of Duties Worksheet to assist in completing this indicator.

Tips

- ◆ Safeguards can include mechanisms in place to prevent unauthorized purchases and disbursement of Federal dollars and cash equivalent assets as well as proper segregation of duties and physical locks around assets.
- ◆ Like cash, cash equivalent assets have heightened exposure to risk of loss, more so than most other types of assets due to their liquidity. Grant recipients are responsible for establishing effective policy and procedures to manage the risk associated with cash equivalent assets and remediate any exposure to risk and potential loss of these vulnerable assets.
- ◆ Cash equivalent assets are items such as bus cards, debit and credit cards, gas cards, PINs and passwords, bus passes, blank check stocks, check-signing machines, signature stamps, or items that have a monetary value and that are easily transferable.
  - This list is not all-inclusive. Discuss with the grant recipient what other cash equivalent assets may be held at its location.

Questions for Review and Discussion

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

Notes

Objective 3.b: Accounting System and Financial Reporting

An accounting system is in place that allows the grant recipient to maintain accurate and complete disclosure of the grant's financial results and those of its subrecipients.

(C) Indicator 3.b.1: Basis of Reporting

If the grant recipient maintains its books of account on a cash basis, it develops and reports accrual data on the financial report.

Citation

2 CFR 2900.14

Instructions

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

Tips

- ◆ ETA requires that recipients of Federal awards report on an accrual basis, as allowed under ETA's exceptions to the Uniform Guidance at 2 CFR 2900.14. Grant recipients are not required to maintain their accounting systems on an accrual basis and are not required to convert their cash or modified cash basis of accounting system but must develop and report such accrual information through best estimates on an analysis of the documentation on hand.
- ◆ In an accrual accounting system, transactions are recognized in the accounting period in which they occur, regardless of when the cash is transferred. An expense is recognized when it is incurred—that is when the goods or services or a benefit to the organization are received and the accompanying liability for payment, in the current or future period, occurs. Note that cash advances to subrecipients prior to a service being provided are neither an obligation nor an accrued expenditure.

Questions for Review and Discussion

1. Is there a policy in place that ensures accounts are reported on an accrual basis?
2. Does the grant recipient maintain its books of accounts on a cash or accrual basis? If on a cash basis, is there evidence to support accrual reporting (e.g., MIS reports, spreadsheets, linking documents)?
3. Regardless of how the grant recipient maintains its books, how does it ensure it captures the costs of all activities that took place in the reporting period?
4. If estimates are used to complete the financial report, is there a methodology in place and is it reviewed by the appropriate staff member?

Notes

Objective 3.b: Accounting System and Financial Reporting

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

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

Citations

2 CFR 200.302, OAA 508, and 20 CFR 641.879

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Review the SCSEP citations above when answering the CMG Questions for Review and Discussion below.

Tips

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

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

Questions for Review and Discussion

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

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

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

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

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

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

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

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

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

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

6. Does the grant recipient have procedures in place to ensure that it obligates and expends the funds within the period of availability and within the period of performance specified in the Grant Agreement or grant modification?

Notes

Objective 3.b: Accounting System and Financial Reporting

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

If applicable, the pass-through entity (PTE) has a system in place to ensure the subrecipient is reporting financial results of its grant activities on an accrual basis and in a timely manner.

Citation

2 CFR 200.331(a)(3)

Instructions

- ❑ Interview key personnel to determine if the PTE is receiving financial data from its subrecipients in a timely manner so that it can include this data in its financial reports to ETA.
- ❑ If applicable, request copies of financial reporting and subrecipient policies as well as subaward clauses related to subrecipient reporting.
- ❑ Walk through the process with financial staff to gain an understanding of how the PTE gathers and verifies subrecipient financial data.

Tips

- ◆ All PTEs must monitor subrecipients to ensure compliance with Federal statutes, regulations, and the terms and conditions of the subaward. This includes reviewing financial reports for compliance. To report the financial status of a project to the Federal awarding agency, a PTE must ensure that it collects and verifies the financial data submitted by its subrecipients. For subrecipient reporting, the regulations allow direct grant recipients to impose different forms, shorter due dates, and more frequent reporting requirements.
- ◆ An essential part of subrecipient management and oversight is financial report review and analysis. This includes a review of data from financial reports to ensure that reports are timely and accurate. Financial reports can be evaluated individually by careful review of each element of the reported data for timeliness, completeness, reasonableness, alignment with budgets and plans, and by comparison with previous reports to identify trends that can predict progress or possible difficulties over time.

Questions for Review and Discussion

1. Are there policies and procedures provided by the PTE to ensure accurate financial reporting? Do they contain policy and procedures on the following?
   - ❑ Accrual basis of reporting
   - ❑ Reporting instructions
   - ❑ Reporting formats
   - ❑ Program income
   - ❑ Match
2. If not, what processes are in place to ensure timely and accurate reporting of financial information of the subrecipients? How does the PTE verify that all accruals are included in the subrecipients' submission of financial data?
3. Is the PTE receiving timely data from its subrecipients?
4. If the subrecipient uses estimated accrual data, does the PTE understand the basis of the estimate and verifies if reasonable?

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.

Instructions

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

Tips

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

Questions for Review and Discussion

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

Notes

Objective 3.c: Payment and Cash Management

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

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

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

Citations

2 CFR 200.305(b) and 2 CFR 2900.7

Instructions

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

Tips

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

Questions for Review and Discussion

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

Notes

Objective 3.c: Payment and Cash Management

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

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

Citations

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

Instructions

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

Tips

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

Questions for Review and Discussion

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

Notes

Objective 3.c: Payment and Cash Management

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

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

Citation

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

Instructions

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

Tips

- Grant recipients must deposit Federal funds in insured bank depository institutions to ensure coverage of these dollars in case of bank failure. Deposit insurance coverage generally covers deposit products such as traditional types of bank deposit accounts, including checking and savings accounts, money market deposit accounts (MMDAs), and certificates of deposit (CDs). Investment products that are not deposits, such as mutual funds, annuities, life insurance policies, and stocks and bonds, are not covered by deposit insurance.
- The FDIC (Federal Deposit Insurance Corporation) is one type of agency (and the most popular agency) that provides depositor insurance. It is an agency independent of the United States government that protects depositors against the loss of insurance deposits if an FDIC-insured bank or savings association fails. The FDIC deposit insurance covers depositors of a failed FDIC-insured depository institution, dollar-for-dollar, up to $250,000, plus any interest accrued or due to the depositor.

Questions for Review and Discussion

1. Is the grant recipient using an insured depository institution or bank that provides insurance coverage on deposits?
2. Are DOL's Federal dollars deposited in a deposit account and not an investment account?
3. If DOL funds are not deposited in an insured bank or savings association, obtain an explanation from the grant recipient, and assess the reasonableness of the explanation.
4. Examine the grant recipient's daily cash balance noted on its monthly bank statements. If the grant recipient carries a balance of more than $250,000, does it have sufficient collateral on record with the bank to cover any potential losses that are not covered by deposit insurance?

Notes

Objective 3.d: Match and Leveraged Resources

If applicable, the grant recipient has written policies and procedures in place to record and support any required match or leveraged resources committed or identified in the award or program regulations.

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

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

Citations

OAA 502(c)(2), 2 CFR 200.302(b)(7), and 2 CFR 200.306(b)

Instructions

CMG Instructions

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

SCSEP Instructions

- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

SCSEP Tips

- ◆ A grant recipient may not require a subrecipient or Host Agency to provide non-Federal resources for the use of the SCSEP project as a condition of entering into a subrecipient or Host Agency relationship. This does not preclude a subrecipient or Host Agency from voluntarily contributing non-Federal resources for the use of the SCSEP project (e.g., non-federally funded host agency supervisory hours).
- ◆ A grant recipient can provide its match share of costs in cash, or in-kind, or a combination of the two.
- ◆ ETA will provide no more than 90 percent of the total cost of SCSEP grant activities and the grant recipient must provide or ensure that at least 10 percent of the total cost of activities carried out under a SCSEP grant consists of allowable costs paid for with non-Federal funds.
- ◆ ETA may pay all of the costs of activities in an emergency (including but not limited to a national health emergency) or disaster project or a project in an economically distressed area. A request must be made and an approval by ETA must be on file.
- ◆ For ETA programs, 2 CFR 200.306(b) states that for all Federal awards, all matching funds must be accepted as part of the award recipient's matching funds when the funds meet all of the criteria listed at 2 CFR 200.306(b)(1-7). The criterion at (b)(5) states that matching funds cannot be funds paid by the Federal government under another Federal award, except for where the Federal statute authorizing the program "specifically provides" that the program's funds can be applied to matching requirements of other Federal programs. OAA, the SCSEP authorizing statute, does not provide for SCSEP funds to be applied to matching requirements of other Federal programs.

- Because Federal statute does not make such a provision for SCSEP funds, the exception to the rule against using Federal program funds as match for another Federal program provided in 2 CFR 200.306(b)(5) does not apply. At this time, there is no ETA program that allows its funds to be used to meet a match requirement. Please note that other programs that do allow for funds to be used as match can use those funds to satisfy SCSEP match requirements.

- For other Federal programs which are not administered through ETA, it is the responsibility of the grant recipients to consult with that Federal agency and obtain the necessary documentation to support the recipient's use of funds towards meeting a match requirement for the SCSEP program. ETA is unable to provide guidance or technical assistance on other Federal agencies' (such as Health and Human Services - HHS) programs or the use of their funds.

Questions for Review and Discussion

CMG Questions

1. Does the grant recipient have written policies and procedures for match requirements?
2. Review the policies and procedures and determine if they address the following requirements as set forth in the Uniform Guidance at 2 CFR 200.306(b):
   - ❑ Allowable under Subpart E – Cost Principles
   - ❑ Verifiable from the grant recipient's records
   - ❑ Costs and contributions are necessary and reasonable to meet program objectives
   - ❑ Are not paid by the Federal government under another Federal award, except where the Federal statute authorizes that Federal funds may be applied to the match requirements of another Federal program
   - ❑ Are provided for in the approved budget, when required
   - ❑ Methodology for tracking and documenting match
   - ❑ Methodology for the valuation of non-cash contributions
3. If applicable, does the PTE have match polices and procedure for its subrecipients?
4. Does the written match requirement policy and procedures reflect actual the organization's practice?

SCSEP Questions

5. Does the grant recipient have a policy in place to outline the documentation requirements if its host agencies or subrecipients contribute to the match cost share requirements?

Notes

Objective 3.d: Match and Leveraged Resources

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

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

Citations

2 CFR 200.306(d) and 2 CFR 2900.8

Instructions

- ❑ Interview fiscal and program staff responsible for documenting the use of these expenditures.
- ❑ Review the grant to determine if the use of match is required to support grant activity and was expended prior to the recording in the grant recipient's accounting system.
- ❑ Request a sample of match expenditures recorded and cross-check the use and valuation to ensure that it is in accordance with the grant recipient's policy and procedures and the Uniform Guidance.
- ❑ Use Tool M: Worksheet for Evaluating Allowable Match Items to assist in completing the indicator.

Tips

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

Questions for Review and Discussion

1. Does the grant recipient report match when expended on allowable grant activity and not when received? If applicable, does it report subrecipient match and/or leveraged resources?
2. Does the grant recipient appropriately report the use of match in the appropriate performance and financial reports? If applicable, does it report subrecipient match?
3. From the sample of match expenditures reviewed, did it meet the following criteria as prescribed in 2 CFR 200.306(b)(1-7)?
   - ❑ Allowable under Subpart E – Cost Principles
   - ❑ Verifiable from the grant recipient's records
   - ❑ Costs and contributions are necessary and reasonable to meet program objectives
   - ❑ Are not paid by the Federal government under another Federal award, except where the Federal statute authorizes that Federal funds may be applied to the match requirements of another Federal program
   - ❑ Are provided for in the approved budget, when required
4. If the grant recipient is using unrecovered indirect costs to meet a match requirement, did it obtain prior approval from the Grant Officer?

Notes

Objective 3.d: Match and Leveraged Resources

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

The grant recipient has a methodology in place to value match. Records are available and demonstrate that match are being tracked.

Citation

2 CFR 200.306(b)(1)

Instructions

- ❑ Review the sample of match expenditures and ascertain if supporting documentation is sufficient and appropriate.

Tips

- The Uniform Guidance has strengthened the valuation and documentation standards for match. The Uniform Guidance at 2 CFR 200.306(d) states that valuation for in-kind contributions for goods or services must be established in accordance with the Cost Principles in Subpart E of the Uniform Guidance. All match contributions, regardless of if from the grant recipient or a third-party, must have documentation to support the valuation of the good or service. For third-party contributions, the support for the value, including the methods used to determine the value, must be verifiable from the records of the contributing organization or be maintained by the grant recipient.
- For cash contributions for match, once non-Federal dollars are expended on behalf of the grant, the grant recipient must account for this in its official book of accounts or records. For non-cash contributions, supporting documentation must be retained to validate the valuation of the good or service, and the non-cash contribution must be used prior to recording. For donated services, the grant recipient must also maintain documentation on the rate value of the service but also timesheets or personnel activity reports to demonstrate the amount of time that is donated to the grant. If the grant recipient is using the fair market value (FMV) to value the match, there must be sufficient justification to support the use of FMV. The value of the donated goods must not exceed the fair market value of the same age and condition at the time of donation.
- Supporting documentation for in-kind contributions may come from many forms and can include receipts, appraisals, consumer valuation guides, labor market information, and other acceptable forms of documentation. The Reviewer should evaluate all supporting documentation for validity and assess its acceptability.
- Grant recipients must maintain records to support all match within the grant recipient or subrecipient's accounting system and these records must be available for audit and review. In accordance with the Uniform Guidance at 2 CFR 200.333, financial records and all performance records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report. This information includes supporting documentation for match and/or leveraged resources.

Questions for Review and Discussion

1. From the sample of match expenditures reviewed, did the grant recipient's valuation of non-cash contributions are in accordance with the Cost Principles in Subpart E of the Uniform Guidance? Is the FMV of non-cash contributions (goods and services) adequately supported?

2. Does the grant recipient have supporting documentation that supports the match reported on the performance and financial reports? Is the documentation appropriate?
3. If applicable, do subrecipients have appropriate supporting documentation for any match and/or leveraged resources reported by them?

Notes

Objective 3.d: Match and Leveraged Resources

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

The grant recipient provides for the use of leveraged resources.

Instructions

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

Tips

- Leveraged resources applies ONLY to specific competitive awards and to certain formula funded awards when specified in the grant agreement and/or program statute. Leveraged resources may be encouraged or required in a FOA or other funding solicitation, such as a Training and Employment Guidance Letter (TEGL).
- It is a term used to identify other funds being used in coordination with the grant to support the grant's activities and outcomes. It is not defined in the regulation or any related administrative requirements. For ETA programs, the term has been used to mean all resources used by the recipient to support grant activity and outcomes, whether those resources meet the standards required for match. Leveraged resources are not to be confused with non-cash contributions or third-party in-kind contributions as specified in WIOA for the purposes of sharing in infrastructure costs.
- ETA suggests that leveraged resources follow the same guidelines outlined below for match.

Questions for Review and Discussion

1. Is the grant recipient required through the FOA to provide leveraged resources? If so, are Federal leveraged resources reflected on the ETA-9130 Financial Report at line 11a *Other Federal Funds Expended*. Are the non-Federal leveraged resources reported on the *Recipient Share of Expenditures* (lines 10j-10l)?

Notes

Objective 3.e: Program Income

The grant recipient has written policies and procedures in place to accurately record and expend the program income in compliance with applicable Federal statutes, implementing regulations, the terms and conditions of the grant award.

(C) Indicator 3.e.1: Program Income Policies and Procedures

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

Citations

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

Instructions

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

Tips

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

Questions for Review and Discussion

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

Notes

Objective 3.e: Program Income

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

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

Citation

2 CFR 200.307

Instructions

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

Tips

- ◆ For either method of accounting used (gross or net method), the grant recipient must spend the program income prior to using grant funds. At the end of the grant's period of performance, all program income must be expended. These requirements apply to grant recipients and their respective subrecipients.
- ◆ The Cost Principles of the Uniform Guidance also apply to the expending of program income. Like charges to grant dollars, these costs must be reasonable, allowable, and allocable costs. Costs prohibited in Federal, State and/or local statutes, regulations, and other requirements, must not be charged to program income generated by the grant recipient or its subrecipients.

Questions for Review and Discussion

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

Notes

Objective 3.f: Allowable Costs and Cost Classification

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

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

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

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 policies and procedures surrounding the liability of cost to Federal funds are against the Cost Principles of the Uniform Guidance.
- ❑ Use Tool N: Transaction Testing to assist in completing the indicator.

Questions for Review and Discussion

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

Notes

Objective 3.f: Allowable Costs and Cost Classification

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

The grant recipient has a system in place to ensure the costs are charged to the proper cost categories and are accurately classified.

Citations

2 CFR 200.412, 20 CFR 641.853, 20 CFR 641.856(b) , 20 CFR 641.859, 20 CFR 641.861, 20 CFR 641.864, 20 CFR 641.867(a), 20 CFR 641.870(a-b), 20 CFR 641.873(a-c), 20 CFR 641.874, and 20 CFR 641.876

Instructions

CMG Instructions

- ❑ Review the grant recipient's Chart of Accounts and ensure that there are separate codes for revenue and expenditures and that the grant recipient is recording costs against the PMS subaccount.
- ❑ Refer to the program's regulations, Grant Agreement, and applicable ETA-9130 Financial Report instructions to ascertain if the program requires supplementary financial reporting that may require additional cost categories.

SCSEP Instructions

- ❑ Verify that grant recipients adhere to the SCSEP administrative cost limit and the requirement to spend a minimum of 75 percent of grant funds on participant wages and fringe benefits (PWFB).
- ❑ Verify that grant recipients, in accordance with 20 CFR 641.867, expend no more than 13.5 percent of the SCSEP funds received for a program year for administrative costs (unless the grant received approval from ETA to increase in administrative costs up to 15 percent).
- ❑ Answer all appropriate CMG and SCSEP questions below in the Questions for Review and Discussion section.

Tips

CMG Tips

- ◆ Careful consideration must be given to the activity with which a cost is associated and the category that benefits from the related activity.
- ◆ A Chart of Accounts is a financial organizational tool that provides a complete listing of every account in an accounting system. An account code is a unique record for each type of asset, liability, equity, revenue, and expense. This serves as the grant recipient's foundation for financial record keeping and should be at a level of detail that at least includes the account names, brief descriptions, and accounting codes. Depending on the complexity of the organization, it has the flexibility to tailor its Chart of Accounts to best suit its accounting needs.
- ◆ At the very least, accounting codes should be established in the organization's Chart of Accounts for appropriately charging costs defined as administrative in accordance with the WIOA definition at WIOA sec. 3(1), or other required categories in its accounting records. If the grant requires the tracking of administrative expenditures, the entity must maintain a system for tracking and reporting its administrative expenditures as well as its program expenditures. Review the grant agreement to ensure if there is an administrative threshold for the grant as any administrative costs in excess of the program's administrative limit must be charged to non-Federal funds.

- For grants that have expenditure caps or thresholds on certain grant activities based on WIOA law or regulations, review the grant recipient's Chart of Accounts and interview fiscal staff to understand how it is capturing this information in its accounting systems and reporting it on the quarterly ETA-9130 Financial Report.
  - An example of an expenditure cap placed on certain programs is the expenditure cap on Transitional Jobs for Local Dislocated Worker funds. WIOA sec. 134(d)(5) sets a transitional jobs expenditure cap of ten percent of the amount of Federal funds allocated to local areas to carry out the Dislocated Worker program for a program year.
  - An example of an expenditure threshold is Out-of-School Youth expended on direct services. WIOA sec. 129(a)(4)(A) requires that a minimum of seventy-five percent of statewide and local Youth funds provided to carry out the program in the State for a program year must be expended to provide youth workforce investment activities for Out-of-School Youth.
  - It is recommended that Reviewers review WIOA law and program statutes on expenditure caps and minimum amounts to be expended on certain grant activities.

SCSEP Tips

- The grant recipient must classify all costs as either administrative costs or programmatic costs and comply with all applicable rules and laws set forth in 20 CFR 641.859, including costs of awards that are solely for the performance of their own administrative functions and personnel and related non-personnel costs of staff who perform both administrative and programmatic services or activities.
- The grant recipient and its subrecipients must adhere to the SCSEP-specific administrative cost limit and the requirement to spend a minimum of 75 percent of grant funds on PWFB.
- SCSEP allows grant recipients to reduce the 75 percent requirement to no less than 65 percent for PWFB by submitting a request for ATSS for approval from the ETA before applying the reduction to PWFB.
- The grant recipient must meet the cost limitations and minimum expenditure level requirements at the time such funds were expended or at the period of availability of such funds has expired, whichever came first.
- Orientation, training, community service assignments, and other SCSEP services are all paid activities that are services that address participant needs and support desired outcomes.
- Grant recipients that have an approved ATSS budget should fully expend the ATSS funds within the period of performance. If they are unable to fully expend the funds, they must return the funds to PWFB.

Questions for Review and Discussion

CMG Questions

1. Does the grant recipient's Chart of Accounts contain sufficient account codes for revenue and expenses to adequately track spending of grant funds? If there are multiple Federal funding streams, how does the grant recipient track its costs to the appropriate PMS subaccount?
2. If applicable, if administrative costs exceed the program's administrative limit for the grant, is the grant recipient charging the excess to non-Federal funds?
3. If applicable, does the grant recipient's Chart of Accounts and its accounting system allow the tracking of grant activities that have an expenditure cap or threshold in accordance with the program's regulations? Refer to the grant's program regulations for a full understanding of any expenditure caps or thresholds on grant activities.

4. If applicable, did the grant recipient, in the capacity of a PTE, review its subrecipients' Charts of Accounts to ensure that they are reporting costs in the appropriate budget cost categories, subaward, etc.?
5. If applicable, are the costs associated with contracts and subawards classified appropriately?

SCSEP Questions

6. How does the grant recipient ensure that its subrecipients have sufficient funding for administrative costs?
7. Did the grant recipient adhere to the 13.5 percent administrative cost limitation? If not, does the grant recipient have prior written approval to increase administrative costs to no more than 15 percent?
8. Did the grant recipient classify costs associated with the functions and activities described in 20 CFR 641.864 as programmatic costs?
9. Does the grant recipient and its subrecipients classify participant wages, fringe benefit costs, and other participant costs such as supportive services to the programmatic activity cost category?
10. Did the grant recipient use less than 75 percent of the SCSEP funds to pay for PWFB as described in 20 CFR 641.864(a)? If so, is there an approved ATSS for the program year?

Notes

Objective 3.g: Cost Allocation/Indirect Costs

The grant recipient allocates costs including indirect costs to the benefitting cost objectives based on relative benefits received and treats allocated costs consistently within its accounting system.

(C) Indicator 3.g.1: Cost Allocation Principles

There is written evidence that costs being allocated to the grant are allowable, being treated consistently over time and within the accounting system, are necessary, reasonable, and are allocated to the grant based on benefit received.

Citations

2 CFR 200.403, 2 CFR 200.405, and TEGL 2-16

Instructions

- ❑ Review the grant recipient's purchasing/procurement, payroll, and financial reporting policies and procedures.
- ❑ Walk through and interview staff involved in all these processes and gain an understanding of the role of each staff member.
- ❑ Also, review the Grant Award, the Cost Principles (Subpart E) in the Uniform Guidance, and the grant program's statute and regulations for guidance on selected items of cost.
- ❑ Obtain a detailed general ledger of grant costs with totals.
- ❑ To ensure that the detailed general ledger obtains all costs, review that the total amount of the detailed listing agrees to what is reported on the corresponding ETA-9130 Financial Report.
- ❑ If the amounts do not agree, obtain a reconciliation from the grant recipient.
- ❑ If the grant recipient is unable to provide a reconciliation, its financial reports are not supported by financial systems or supporting documentation and therefore would be a compliance issue (2 CFR 200.302).
- ❑ Once satisfied that the detailed general ledger is complete or if the reconciliation is reasonable, make an appropriate sample of costs from the detailed general ledger and request supporting documentation to test the validity, allowability, reasonableness, necessity, and allocability of costs.
- ❑ For staff time, review the HR/payroll policy and procedures to obtain an understanding of how staff time is recorded and allocated to the grant. Request a detailed listing of all personnel that charge time, fully or partially, to the grant and make a sample selection.
- ❑ Lastly, if costs are shared among multiple funding streams or programs, review the grant recipient's policy on allocating costs (for Cost Allocation Plans, Indirect Cost Rate, or De Minimis testing, please see indicators below).
- ❑ Ensure that shared costs are allocated based on their relative benefit received and in proportion to use.
- ❑ Review costs so that they are in accordance with the grant recipient's cost allocation methodology.
- ❑ Use Tool G: Procurement History File to assist in completing the indicator.
- ❑ Use Tool I: Contract Review 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 on line item 10e – *Federal Share of Expenditures*. Some grant recipients may be on a cash basis, for accounting purposes, and the amount per the detailed general ledger may not agree to the amount reported on ETA-9130. If so, the grant recipient may be reporting accruals on a separate account or listing (maybe even an Excel spreadsheet). If so, make cost selections from this separate document and obtain an understanding how accruals how calculated.

- If the amounts per the detailed general ledger and line 10e – *Federal Share of Expenditures* do not agree, request a reconciliation between the two amounts. Once the amounts agree, the Reviewer now has some comfort that the general ledger contains all the grant's costs and that an appropriate selection of costs can be made. Refer to Resource G: Sampling Methodology on more information about making samples.
- Supporting documentation may come in many forms and may include evidence of prior approval obtained (e.g., Board meeting minutes, sign-off sheets or initials from management, grant modification showing Grant Officer approval, etc.), purchase orders, receipts and invoices, contracts, timesheets, Personnel Activity Record, time studies, credit card statements, check copies, and many more. Supporting documentation is proof that the Cost Principles have been met. When receiving supporting documentation, review the document(s) to ensure that the grant recipient is following its own processes, and, regardless of the type of cost, supporting documentation should evidence validity, allowability, and proper approval.

Questions for Review and Discussion

1. Does the grant recipient have written policies and procedures for distributing program costs, staff time, and general administrative costs among funding streams, programs, etc.?
2. Does the grant recipient's policies and procedures follow the Cost Principles? How does it identify the circumstance when costs are allowable, allowable with condition, and unallowable?
3. Does the grant recipient's policies and procedures reflect requirements identified in the grant FOA and applicable program/ authorizing statutes and TEGLs?
4. From the sample of costs from the grant recipient's general ledger and, if applicable, the subrecipients test for the following factors of allowability as described in 2 CFR 200.403):

   - ❑ Necessary and reasonable for the performance of the grant
   - ❑ Conform with Federal law, guidelines, and grant terms
   - ❑ Conform to any limitations or exclusions set forth in the Cost Principles
   - ❑ Legal under State and local law
   - ❑ Consistently treated
   - ❑ In accordance with GAAP (except for State, local government, and Indian tribes only)
   - ❑ Not included as a cost or used to meet matching requirement of another Federally financed program
   - ❑ Adequately documented
   - ❑ Consistent with policies and procedures
   - ❑ During the testing of costs, for goods and/or services that require prior approval, was appropriate prior approval obtained prior to purchasing?
   - ❑ Review Indicator 2.b.2: Budget Modifications for prior approval guidance.

5. Does the grant recipient have multiple funding sources? If so, move to the next applicable indicators, if not, move on to Objective 3.h: Audits and Audit Resolution.

Notes

Objective 3.g: Cost Allocation/Indirect Costs

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

The grant recipient has an approved cost allocation plan and uses it to allocate indirect costs.

Citations

2 CFR 200.416(a) and (c)

Instructions

- ❑ Using the sample of costs that were selected in the previous indicator, review any costs that are allocated to multiple funding streams or programs.
- ❑ Review these indirect costs to ensure that they follow the grant recipient's cost allocation plan.
- ❑ Use Tool O: Cost Allocation Worksheet to assist in completing the indicator.

Tips

- When costs cannot be directly assigned to a final cost objective, the costs are placed in a pool that is allocated later to the benefiting funding stream or program. A cost pool contains a group of common costs to be allocated by using an indirect measure of benefit (see Indicator 3.g.3: Negotiated Indirect Cost Rate Agreements (NICRA)) or approximate measure of benefit. The approximate measure of benefit is the allocation base.
- The basis used to allocate a particular type of cost must be used consistently over time (2 CFR 200.403(d)). An allocation base is acceptable if it represents a fair measure of cost benefit and if it results in an equitable and reasonable distribution of the costs of services rendered or goods provided. Each base should be considered on its own merits as to the purpose for using it and the degree of equity and reasonableness it will achieve in allocating costs.
- Based on the Cost Principles in the Uniform Guidance, organizations may use an approved Cost Allocation Plan (CAP) or Indirect Cost Rate (ICR) to provide a fair measure of cost benefit. Negotiated ICR rates and CAPs are utilized to properly support indirect cost billings and close-out efforts on cost reimbursable grants. CAP and ICRs can be submitted by the following organizations to the following cognizant agencies (refer to Resource M: SWCAP and NICRA Resources).
  - ***Institutions of Higher Education (IHE)*** – Cost negotiation cognizance is assigned to the HHS or the DOD's Office of Naval Research, normally depending on which of the two agencies (HHS or DOD) provides more funds to the educational institution for the most recent three years. [Appendix III to 2 CFR Part 200]
  - ***Nonprofit Organizations*** – Unless different arrangements are agreed to by the Federal agencies concerned, the Federal agency with the largest dollar value of Federal awards with an organization is designated as the cognizant agency for indirect cost rate negotiation and approval. [Appendix IV to CFR Part 200]
  - ***State and Local Government-wide Central Service CAPs*** – Statewide Cost Allocation Plans (SWCAPs) for all States (including District of Columbia and Puerto Rico, State and local hospitals, libraries, and health districts) are required to develop and submit cost allocation plans to HHS. SWCAPs are located at HHS Cost Allocation Service. [Appendix V to 2 CFR Part 200]

- ***Public Assistance CAPs*** – Federally-financed programs administered by State public assistance agencies are funded predominately by HHS, and these State agencies are required to develop and submit overall cost allocation plans to HHS (which may include CAPs from local agencies that administer public assistance programs under the States' supervised systems. [Appendix VI to 2 CFR Part 200]
- ***State and Local Government and Indian Tribe Indirect Cost Proposals*** – A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost. [Appendix VII to 2 CFR Part 200]

Questions for Review and Discussion

1. Does the grant recipient have an approved CAP? Is it the authorized party to that CAP?
2. Is the CAP reviewed on an annual basis and updated as needed?
3. Does the grant recipient allocate shared costs in accordance with its cost allocation plan?
4. How does the grant recipient allocate staff's time among the various grant programs they work on? Is there written evidence, such as timesheets, used to allocate personnel time and costs?

For SWCAPs, please answer the following questions

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 correctly?

Notes

Objective 3.g: Cost Allocation/Indirect Costs

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

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

Citations

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

Instructions

- ❑ Read the Instructions of Indicator 3.g.2: Cost Allocation Plan.
- ❑ Review the grant recipient's NICRA and ensure that the effective dates are current for the time period tested and departments or locations are accurate. In addition, review the distribution base identified on the grant recipient's NICRA to ensure it is correctly calculated.
- ❑ It is now required that indirect costs must be reported on the final ETA-9130 Financial Report. Depending on the timing of the on-site review, if a final ETA-9130 is available, review the financial report and ensure that Section 13 – *Indirect Expenditures* is completed and that all calculations in the form are correct (specifically line item 13f – *Amount Charged*).
- ❑ Request supporting documentation/calculation(s) to all the line items and ensure that it supports what is reported in the financial report.

Tips

- ◆ All indirect costs, using the approved rate, must be allocated to all grants regardless of any restrictions or funding limitations. Any allocable indirect costs that exceed any administrative or statutory restrictions on a specific Federal grant may not be shifted to other Federal grants/contracts, unless specifically authorized by legislation. Non-Federal revenue sources must be used to pay for these costs that exceed any statutory restrictions.
- ◆ Any grant recipient with indirect costs and that also has more than one source of funding (including direct Federal funding) needs an indirect cost rate. An indirect cost rate is a percentage (indirect cost pool/direct cost base) used to distribute indirect costs to all cost centers benefiting from those costs. The grant recipient must have an approved NICRA from its cognizant agency if it has multiple funding streams and is charging indirect costs to the Federal award. A cognizant agency is responsible for negotiating the grant recipient's indirect cost rate and issues the appropriate negotiation agreement. Unless specifically assigned by OMB, the Federal agency with the majority of direct funding is normally the grant recipient's cognizant agency.
- ◆ All grant recipients must submit their initial indirect cost rate proposal to their cognizant agency within 90 days of receiving a cost reimbursable grant/contract award (2 CFR Part 200 Appendix IV, C.2.b). All grant recipients must submit their final indirect cost rate proposals within 180 days of the end of the grant recipient's fiscal year (2 CFR Part 200 Appendix IV, C.2.c).
- ◆ Please refer to DOL's Division of Cost Determination webpage for more information.
- ◆ Lastly, any adjustments to indirect cost rates resulting from a determination of unallowable costs being included in the rate proposal may result in the reissuance of negotiated rate agreement [2 CFR 2900.17].

Questions for Review and Discussion

1. Review the grant recipient's NICRA and review for effective dates and departments or locations. Is the rate approved for the period the grant recipient is applying the NICRA? If not, has it submitted a proposal?
2. Does the grant recipient have an approved rate specific to its organization?
3. Review the NICRA's distribution base. Is the grant recipient correctly calculating the distribution base? How is the indirect cost rate being applied appropriately to the base in accordance with the terms of the approved indirect cost rate agreement?
4. If unallowable costs were identified (through monitoring or an audit) and these costs were included in the indirect rate proposal, did the grant recipient obtain an adjusted negotiated rate agreement from its cognizant agency?
5. If applicable, obtain the final ETA-9130 Financial Report and ensure indirect costs being reported on the form?

Notes

Objective 3.g: Cost Allocation/Indirect Costs

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

The grant recipient has received prior approval from its cognizant agency to use the de minimis rate and is correctly applying ten percent to the modified total direct costs (MTDC).

Citations

2 CFR 200.414(f)

Instructions

- ❑ If the grant recipient meets all the criteria to use the de minimis rate, review the grant recipient's calculation for the de minimis rate.
- ❑ Ensure that the grant recipient received prior approval and that the de minimis rate is calculated correctly.
- ❑ Ensure that this methodology is used consistently for all Federal awards until such time the grant recipient chooses to negotiate for an indirect cost rate.

Tips

- ◆ To relieve administrative burden, the Uniform Guidance specified that grant recipients that have never received a NICRA and has allowable indirect costs that they would like to charge to a Federal award may elect to charge a de minimis rate of 10 percent of the MTDC, which may be used indefinitely. Government departments or agencies that receive more than $35 million in direct Federal funding must submit an indirect cost rate proposal and cannot request a de minimis rate. If the grant recipient chooses to utilize the de minimis rate, it must do so consistently for all Federal awards until such time it chooses to negotiate a rate. PTEs may also accept the de minimis rate if its subrecipient has never had a NICRA rate and has indirect costs associated with its subaward.
- ◆ If the grant recipient meets all the criteria to use the de minimis rate, it may apply 10 percent to a base amount (MTDC) to recover indirect costs from a Federal award. MTDC is all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of $25,000.
- ◆ The grant recipient must receive prior approval from its cognizant agency to apply the de minimis rate to their Federal awards. Note that cognizant agency for indirect cost in 2 CFR 200.19 applies here. For subrecipient that do not have a direct Federal grant, it must obtain approval from its PTE.

Questions for Review and Discussion

1. Did the grant recipient receive prior approval from the Grant Officer prior to applying the de minimis rate to the MTDC and recovering those funds from ETA?
2. Did the grant recipient correctly calculate the MTDC? Did the grant recipient correctly apply 10 percent to the MTDC base?

Notes

Objective 3.h: Audits and Audit Resolution

The grant recipient adheres to the single or program-specific audit requirements and has an audit resolution process in place including debt collection for its subrecipients.

(C) Indicator 3.h.1: Audit Process

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

Citations

2 CFR 200.501, 2 CFR 2900.03, and 2 CFR 2900.21

Instructions

- ❑ Examine the grant recipient's official book of accounts and determine if it has expended $750,000 or more in Federal awards during the grant recipient's fiscal year. If so, ensure that a single or program-specific audit was completed.
- ❑ Obtain a copy of the grant recipient's most recent audit report and review the report for questioned costs and findings.
- ❑ If applicable, obtain a written status report of the questioned costs and/or findings if they have not been resolved.
- ❑ Use Tool Q: Audit Resolution Tracking Checklist to assist in completing the indicator.
- ❑ Use Tool P: Audit Appeals Process to assist in completing the indicator.

Tips

- ◆ Under the Uniform Guidance, there is a new threshold for audit coverage. Each covered grant recipient that expends $750,000 or more in Federal financial assistance award funds during its fiscal year is required to have a single audit conducted for that fiscal year (effective January 1st, 2015). A program-specific audit may be substituted only when the auditee spends Federal award funds under only one Federal program.
- ◆ The specific costs that form the basis for determining Federal awards expended are found at 2 CFR 200.502 and include accrued costs, disbursements to subrecipients, and program income expended, among others. Some exclusions to the audit threshold include endowment funds and free rent, among others. Please refer to 2 CFR 200.502 for a full listing.
- ◆ A single audit is a relatively comprehensive review of an organization's entire spectrum of financial activity. The financial statements must cover all funds expended by an entity within a single audit period and all Federal funds, whether those are directly expended by the entity or the entity functions as a "pass-through" with the funds being ultimately expended at a subrecipient level.
- ◆ The requirements in the Uniform Guidance apply to direct recipients, PTEs, and subrecipients. The Guidance does not provide coverage for audits of commercial for-profit entities or contractors nor to foreign-based entities. However, ETA now extends coverage through the ETA exception at 2 CFR 2900.2 to commercial for-profit entities and foreign entities that are awardees of DOL funds.

- Under ETA's Uniform Guidance exception on questioned cost (2 CFR 2900.3), a questioned costs is a cost questioned by auditors, FPOs, Grant Officers, or any other authorized Awarding agency representative to questioned costs. In addition, ETA's exception at 2 CFR 2900.21 allows for PTE to issue a management decision within twelve months of acceptance of the audit report by the Federal Audit Clearinghouse (FAC).

Questions for Review and Discussion

1. Did the grant recipient submit its latest single or program-specific audit to the FAC?
2. Was the audit completed in a timely manner (no later than nine months after the end of the organization's fiscal year)?
3. Examine the section of the audit report called "Schedule of Findings and Questioned Costs." Consider the following:
   - Are material weaknesses identified?
   - Are reportable conditions identified?
   - Are Federal award findings identified?
   - Are Federal award questioned costs identified?
4. If there are issues identified on the Schedule of Findings and Questioned Costs, what is the current corrective action plan employed by the grant recipient to resolve these matters?
5. How long has the grant recipient employed the existing audit firm for audit work? For non-State entities, is the procurement method used to secure the services of the existing or new auditing firm in compliance with the Procurement Standards of the Uniform Guidance?

Notes

Objective 3.h: Audits and Audit Resolution

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

The grant recipient, in the capacity of a PTE, has a system in place to ensure subrecipient audits are conducted and resolved.

Citation

2 CFR 200.331(d)(2)

Instructions

- ❑ Obtain the PTE's policy and procedures on managing and oversight of subrecipients.
- ❑ Gain an understanding of how the PTE assesses if its subrecipient has expended $750,000 in Federal dollars for the fiscal year.
- ❑ Review the policy to ensure that the PTE follows up with the subrecipient on any administrative findings and questioned costs identified by the audit.
- ❑ Review the policy and procedures for debt collection procedures when questioned costs become disallowed costs.
- ❑ Obtain a copy of the subrecipient's single or program-specific audit and review the "Schedule of Findings" in the report.
- ❑ If applicable, walk through with key personnel on how they follow up with proposed corrective actions on outstanding audit findings with it subrecipients.

Tips

- ◆ As part of managing a subrecipient, a PTE is responsible for ensuring that if a subrecipient expends $750,000 or more in Federal awards in a fiscal year, it needs to ensure that a single or program-specific audit was completed in compliance with Subpart F of the Uniform Guidance.
- ◆ Many times, a subrecipient's audit is not timely and monitoring by the PTE is necessary. An audit occurs after the end of the fiscal period, and the issuance of the audit report can come as much as nine months after the end of the period being audited, which is often after the end of the grant. If this is so, the PTE should perform an on-site monitoring of its subrecipient during the subaward's period of performance.

Questions for Review and Discussion

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

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 Federal Audit Clearinghouse (FAC), if the grant recipient has administrative findings, significant deficiencies, and/or material weaknesses, it has a corrective action plan in place to resolve the findings, significant deficiencies, and material weaknesses related to internal controls.

Citation

2 CFR 200.514(c)

Instructions

- ❑ Obtain the grant recipient's latest SF-SAC that was submitted to the FAC (either by the grant recipient or its auditors).
- ❑ Review the Data Collection Form and identify if the grant recipient has any administrative findings, significant deficiencies, and or material weakness surrounding its internal controls.
- ❑ If applicable, walk through the grant recipient's corrective action plan and ensure that the grant recipient's responses to the issues are sufficient.

Tips

- ◆ The FAC operates on behalf of OMB. Its primary purposes are to distribute single audit reporting packages to Federal agencies; support OMB oversight and assessment of Federal award audit requirements; maintain a public database of completed audits; and help auditors and auditees minimize the reporting burden of complying with single audit requirements.
- ◆ Access to completed Single Audit packages and the SF-SAC form can be found at FAC.

Questions for Review and Discussion

1. Does the grant recipient have any administrative findings, significant deficiencies, and/or material weaknesses surrounding its internal controls? If not, skip next questions.
2. Does the grant recipient have a corrective action in place to address any administrative findings significant deficiencies, and/or material weaknesses?
3. Review the grant recipient's corrective action. Is the plan sufficient and reasonable and will the corrective actions be completed timely?

Notes

APPENDIX

The Appendix includes two sections:

- Resource N – CMG Resources & Tools provides links to all the Resources and Tools contained in the CMG.
- Resource O – Uniform Guidance Revisions Crosswalk provides a crosswalk of 2020 Revisions to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (also known as the Uniform Guidance at 2 CFR Part 200).

RESOURCE N – CMG RESOURCES & TOOLS

Resource A: Selected Definitions and Acronyms

Resource B: Cross Reference of Grant Management Requirements

Resource C: Order of Precedence

Resource D: Documentation Request Samples & Data Analyses

Resource E: Analysis for On-Site Monitoring

Resource F: Using Effective Interviewing Techniques

Resource G: Sampling Methodology

Resource H: Monitoring Finding Template

Resource I: List of Items Requiring Prior Approval

Resource J: Procurement Standards

Resource K: Background for Contract Provisions

Resource L: Retention of Records Table

Resource M: SWCAP and NICRA Resources

Tool A: MOU & IFA Worksheet

Tool B: WIOA Adult Participant File Review

Tool C: WIOA DW Participant File Review

Tool D: WIOA Youth Participant File Review

Tool E: Budget Comparison Tool

Tool F: Procurement / Purchasing Policy checklist

Tool G: Procurement History File

Tool H: Subaward Review Worksheet

Tool I: Contract Review Checklist

Tool J: Subrecipient Monitoring Reports Worksheet

Tool K: Policies and Procedures Checklist

Tool L: Separation of Duties Worksheet

Tool M: Worksheet for Evaluating Allowable Match Items

Tool N: Transaction Testing

Tool O: Cost Allocation Worksheet

Tool P: Audit Appeals Process

Tool Q: Audit Resolution Tracking Checklist

Tool R: Documentation of Personnel Services

Tool S: Risk Assessment Worksheet

Tool T: Summary of Results/ Reviewer Notes

Tool U: Compliance Determination Tool

RESOURCE O – UNIFORM GUIDANCE REVISIONS CROSSWALK

Instructions

UG Revisions 2020/2021 – The Office of Management and Budget (OMB) has published revisions to Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (also known as the Uniform Guidance at 2 CFR Part 200) along with other revisions to 2 CFR Parts 25, 170, 183, and 200. Two new requirements took effect on August 13, 2020 and the remaining revisions took effect on November 12, 2020 and February 22, 2021.

Below is a crosswalk of the changes to the Uniform Guidance that identifies the citations before the revisions took effect and the new citations after the revisions took effect. Additionally, DOL's adoption of the Uniform Guidance found at 2 CFR Part 2900 is listed below along with the corresponding exceptions. Recipients and subrecipients of DOL grant awards must adhere to 2 CFR Part 200 and 2 CFR Part 2900.

Table Key

Order # – Identifies each section of the Uniform Guidance in the sequential order of the revised version.

Before – Identifies the citation for the section in the previous version of the Uniform Guidance (which was in effect prior to August 13, 2020) before the revisions were made.

Topic – Identifies the topic name or defined term as listed in the Uniform Guidance. Items that are in bold and italicized are either new or have changed because of the revisions. Topics or terms that have been rescinded or removed as part of the revisions are identified with strikethrough text.

After – The revisions impacted the original order of the citations. The new sequential order of the citations is listed in this column.

Change – This field indicates the extent of the change made to the provision in the revisions.

No Change – No changes have been made to the content or citation number for this provision.

Content – The language contained in this provision has changed.

Citation – This provision has been moved.

Both – Both the content and the citation number of the provision have changed.

Removed – The provision has been removed.

CMG Objective	CMG Indicator	Before	**TOPIC: Deleted** (strikethrough) **or Changed/New items** (in bold and italics)	After	**Change:** Content, Citation, No Change, Both, or Removed
Objective 2.a: Project Management	(C) Indicator 2.a.1: Specific Award Conditions	200.207	Specific conditions	200.208	Both
	(C) Indicator 2.a.2: Prior Approval of Project	200.308	Revision of budget and program plans		No Change
	Modifications	200.407	Prior written approval (prior approval)		No Change
	(C) Indicator 2.a.3: Closeout Requirements	200.16	Closeout	200.1	Citation
		200.331(a)(6)	Requirements for pass-through entities	200.332	Both
		200.333	Retention requirements for records	200.334	Citation
		200.343	Closeout	200.344	Both
Objective 2.b: Budget:	(C) Indicator 2.b.1: Budget Controls	200.302(b)(5)	Financial management		No Change
		200.308	Revision of budget and program plans		No Change
	(C) Indicator 2.b.2: Budget Modifications	200.308	Revision of budget and program plans		No Change
		200.407	Prior written approval (prior approval)		No Change
Objective 2.c: Property Management:	(C) Indicator 2.c.1: Insurance Coverage	200.310	Insurance coverage		No Change
	(C) Indicator 2.c.2: Real Property	200.311	Real property		No Change
	(C) Indicator 2.c.3: Equipment	200.313	Equipment		No Change
	(C) Indicator 2.c.4: Rental or Leasing Costs for Property	200.465	Rental costs of real property and equipment		Content
	(C) Indicator 2.c.5: Supplies	200.314	Supplies		No Change
	(C) Indicator 2.c.6: Intangible Property	200.315	Intangible property		No Change
Objective 2.d: Procurement and Contract Administration:	(C) Indicator 2.d.1: Procurement Standards	200.113	Mandatory disclosures		No Change
		200.317	Procurements by states		No Change
		200.318	General procurement standards		Content
		200.319	Competition		Content

CMG Objective	CMG Indicator	Before	**TOPIC: Deleted** (strikethrough) **or Changed/New items** (in bold and italics)	After	**Type of Change:** Content, Citation, No Change, Both, or Removed
		200.320	Methods of procurement to be followed		Content
		200.321	Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms		No Change
		200.322	Procurement of recovered materials	200.323	Citation
		200.323	Contract cost and price	200.324	Citation
		200.324	Federal awarding agency or pass-through entity review	200.325	Citation
		200.325	Bonding requirements	200.326	Citation
		200.326	Contract provisions	200.327	Citation
	(C) Indicator 2.d.2: Competition	200.319	Competition		Content
	(C) Indicator 2.d.3: Methods of Procurement	200.320	Methods of procurement to be followed		Content
	(C) Indicator 2.d.4: Cost or Price Analysis	200.323	Contract cost and price	200.324	Citation
	(C) Indicator 2.d.5: Contract Administration	200.326	Contract provisions	200.327	Citation
Objective 2.e: Performance Management:	(C) Indicator 2.e.1: Performance Reporting	200.328(b)(1)	Monitoring and reporting program performance	200.329	Both
	(C) Indicator 2.e.2: Progress Monitoring	200.328(b)(2)(i)	Monitoring and reporting program performance	200.329	Both
Objective 2.f: Subrecipient Management & Oversight:	(C) Indicator 2.f.1: Subrecipient and Contractor Determination	200.330 (a)-(b)	Subrecipient and contractor determinations	200.331	Citation
		200.331(a)	Requirements for pass-through entities	200.332	Both

CMG Objective	CMG Indicator	Before	**TOPIC: Deleted** (strikethrough) **or Changed/New items** (in bold and italics)	After	**Type of Change:** Content, Citation, No Change, Both, or Removed
	(C) Indicator 2.f.2: Pre-Award Risk Analysis	200.205	Federal awarding agency review of risk posed by applicants	200.206	Both
		200.207	Specific conditions	200.208	Both
		200.212	Suspension and debarment	200.214	Citation
		200.318	General procurement standards		Content
		200.331	Requirements for pass-through entities	200.332	Both
	(C) Indicator 2.f.3: Post Subaward Responsibilities	200.331	Requirements for pass-through entities	200.332	Both
		200.333	Retention requirements for records	200.334	Citation
		200.338	Remedies for noncompliance	200.339	Citation
	(C) Indicator 2.f.4: Subrecipient Monitoring	200.331	Requirements for pass-through entities	200.332	Both
Objective 2.g: Records Management:	(C) Indicator 2.g.1: Record Retention	200.333	Retention requirements for records	200.334	Citation
	(C) Indicator 2.g.2: Accessibility	200.336	Access to records	200.337	Citation
	(C) Indicator 2.g.3: Protected Personally Identifiable Information	200.303	Internal controls		No Change
		200.337	Restrictions on public access to records	200.338	Citation
	(C) Indicator 2.g.4: Custody and Transfer	200.334	Requests for transfer of records	200.335	Citation
Objective 2.h: Personnel	(C) Indicator 2.h.1: Personnel Policy and Procedures	200.430(a)(1)-(2)	Compensation—personal services		No Change
	(C) Indicator 2.h.2: Staff Positions	200.113	Mandatory disclosures		No Change
		200.427	Bonding costs		No Change
	(C) Indicator 2.h.3: Salaries	200.430(b)	Compensation—personal services		No Change
Objective 2.i: Civil Rights, Complaints, Grievances & Incident Reporting:	(C) Indicator 2.i.1: Policies and Procedures	200.300	Statutory and national policy requirements		No Change
	(C) Indicator 2.i.2: Notices	200.300	Statutory and national policy requirements		No Change
	(C) Indicator 2.i.3: Facilities	200.300	Statutory and national policy requirements		No Change

CMG Objective	CMG Indicator	Before	**TOPIC: Deleted** (strikethrough) **or Changed/New items** (in bold and italics)	After	**Type of Change:** Content, Citation, No Change, Both, or Removed
	(C) Indicator 2.i.5: Incident Reporting	200.331(a)(5)	Requirements for pass-through entities	200.332	Both
		200.333	Retention requirements for records	200.334	Citation
		200.343	Closeout	200.344	Both
Objective 3.a: Internal Controls	(C) Indicator 3.a.1: Effectiveness and Efficiency of Operations	200.61(a)	Internal controls	200.1	Citation
		200.62	~~Internal control over compliance requirements for Federal awards~~		Removed
		200.302	Financial management		No Change
		200.303(a)	Internal controls		No Change
		200.400	Policy guide		No Change
		200.507	Program-specific audits		No Change
		200.514	Scope of audit		Content
	(C) Indicator 3.a.2: Reliability of Reporting for Internal and External Use	200.61(a)	Internal controls	200.1	Citation
		200.62	~~Internal control over compliance requirements for Federal awards~~		Removed
	(C) Indicator 3.a.3: Compliance with Applicable Laws and Regulations	200.61(a)	Internal controls	200.1	Citation
		200.62	~~Internal control over compliance requirements for Federal awards~~		Removed
		200.303(a)-(c)	Internal controls		No Change
	(C) Indicator 3.a.4: Safeguard on Assets	200.302(b)(4)	Financial management		No Change
Objective 3.b—Accounting System and Financial Reporting	(C) Indicator 3.b.2: Financial Reporting	200.302	Financial management		No Change
	(C) Indicator 3.b.3: Subrecipient's Financial Reporting	200.331(a)(3)	Requirements for pass-through entities	200.332	Both
Objective 3.c—Payment and Cash Management	(C) Indicator 3.c.1: Cash Disbursements	200.305(b)	***Federal*** payment	200.305	Content

CMG Objective	CMG Indicator	Before	**TOPIC: Deleted** (strikethrough) **or Changed/New items** (in bold and italics)	After	**Type of Change:** Content, Citation, No Change, Both, or Removed
	(C) Indicator 3.c.2: Improper Payments	200.53	Improper payment	200.1	Both
		200.305	***Federal*** payment	200.305	Content
		200.426	Bad debts		No Change
		200.428	Collections of improper payments		No Change
	(C) Indicator 3.c.3: Deposit Insurance	200.305(b)(7)(ii)	***Federal*** payment		Content
Objective 3.d—Match and Leveraged Resources	(C) Indicator 3.d.1: Match Policies and Procedures	200.302(b)(7)	Financial management		No Change
		200.306(b)	Cost sharing or matching		No Change
	(C) Indicator 3.d.2: Expending Match	200.306(d)	Cost sharing or matching		No Change
	(C) Indicator 3.d.3: Valuation and Documentation	200.306(b)(1)	Cost sharing or matching		No Change
Objective 3.e—Program Income	(C) Indicator 3.e.1: Program Income Policies and Procedures	200.302(b)(7)	Financial management		No Change
		200.307	Program income		No Change
	(C) Indicator 3.e.2: Expending and Documentation	200.307	Program income		No Change
Objective 3.f—Allowable Costs and Cost Classification	(C) Indicator 3.f.1: Cost Principles	200.302(b)(7)	Financial management		No Change
		200.403	Factors affecting allowability of costs		Content
	(C) Indicator 3.f.2: Financial Management Systems	200.412	Classification of costs		No Change

CMG Objective	CMG Indicator	Before	**TOPIC: Deleted** (strikethrough) **or Changed/New items** (in bold and italics)	After	**Type of Change:** Content, Citation, No Change, Both, or Removed
Objective 3.g—Cost Allocation/Indirect Costs	(C) Indicator 3.g.1: Cost Allocation Principles	200.403	Factors affecting allowability of costs		Content
		200.405	Allocable costs		No Change
	(C) Indicator 3.g.2: Cost Allocation Plan	200.416(a) and (c)	Cost allocation plans and indirect cost proposals		Content
	(C) Indicator 3.g.3: Negotiated Indirect Cost Rate Agreements (NICRA)	200.416(b) and (c)	Cost allocation plans and indirect cost proposals		Content
	(C) Indicator 3.g.4: De Minimis	200.414(f)	Indirect (F&A) costs		Content
Objective 3.h—Audits and Audit Resolution	(C) Indicator 3.h.1: Audit Process	200.501	Audit requirements		No Change
	(C) Indicator 3.h.2: Subrecipient's Audit	200.331(d)(2)	Requirements for pass-through entities	200.332	Both
	(C) Indicator 3.h.3: Report on Internal Controls	200.514(c)	Scope of audit		Content