

The letters S, M, A, R, and T are arranged vertically. Each letter is inside a dark blue circle. A dashed orange line connects the top of the 'S' circle, loops around the 'M', 'A', and 'R' circles, and ends with a downward-pointing arrowhead at the bottom of the 'T' circle.

**S**  
**M**  
**A**  
**R**  
**T**

**Strategies**

**Monitoring**

**Accountability**

**Risk Mitigation**

**Transparency**

# Records Management

## **SMART 4.0 Training**

Hosted by the Office of Grants Management  
Division of Compliance Assistance and Policy  
Employment and Training Administration  
U.S. Department of Labor.

# SMART 4.0 Training Series

- The training modules are focused on: **S**trategies for sound grant management that includes **M**onitoring, **A**ccountability, **R**isk mitigation and **T**ransparency.
- **4.0 focuses on Risks Identification and SMART Practices!**

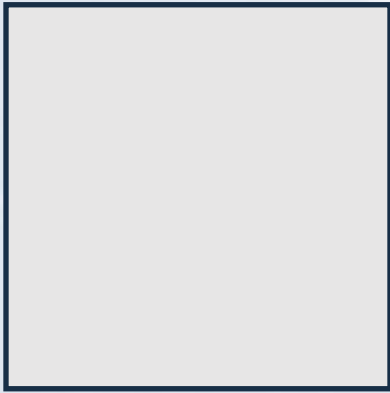


# Disclaimer

*SMART 4.0 is part of the catalog of SMART grant management tools. This conference and its materials should be viewed primarily as a support resource. It is not intended to be comprehensive but rather to provide an understanding of 2 CFR 200, 2 CFR 2900, and the management of ETA grants. The use of these SMART 4.0 modules does not ensure compliance. Any omission of an applicable Federal requirement does not waive a grant recipient or subrecipient's responsibility to comply with that requirement.*

*If, in any instance, there appears to be a conflict with the program statute, Federal regulations, or OMB guidance, such conflict must be resolved in favor of the statute, Federal regulations, or OMB guidance. All the information in the SMART 4.0 modules may not be reproduced or distributed for a fee or profit.*

# Today's Speakers



**First, Last**

*Occupation/Title*  
Company Name

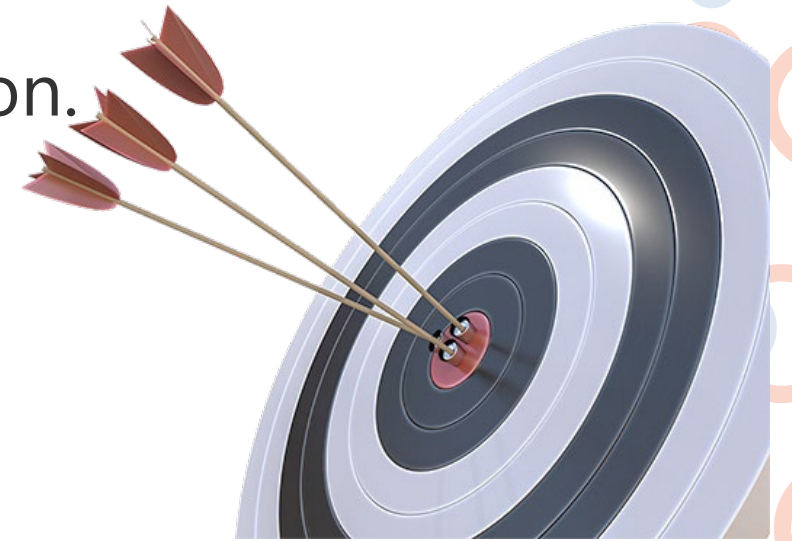


**First, Last**

*Occupation/Title*  
Company Name

# Module Overview

- Records management.
  - Types of records.
  - Record retention requirements.
  - Access to records.
- Protecting Personally Identifiable Information.
  - Collection, transmission and storage of records.
- Risks and SMART Practices.



**S**  
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**R**  
**T**

# Records Management

# Types of Records

# Types of Records (1)

## 2 CFR 200.302

- Records in support of the expenditure of Federal funds.
  - Compliance with Federal statute and regulations.
  - Compliance with grant terms and conditions.
- Records that:
  - Identify all Federal awards received and expended under Federal programs.
  - Provide accurate, current, and complete disclosure of the financial results of each Federal award or program.
  - Identify adequately the source and application of funds for Federally-funded activities.

# Types of Records (2)

- Financial (including but not limited to):
  - General ledger and supporting documentation.
  - Statistical records.
  - Negotiated Indirect Cost Rate Agreement (NICRA)/ Cost Allocation Plan (CAP).
  - Property records (including depreciation schedule).
- Personnel.
- Participant and performance.
- Other type records.



# Types of Records (3)

[WIOA sec. 185\(a\)](#) and [2 CFR 200.302](#)

- Records sufficient to prepare Title I WIOA required reports and to permit the tracing of funds to ensure funds have not been spent unlawfully.
- Records required to support Title I WIOA programs' performance and activities.
- Records to determine compliance with the nondiscrimination and equal opportunity provisions of [sec. 188](#) of [WIOA](#), or [29 CFR Part 38](#).

# **Record Retention Requirements**

# Record Retention Requirements

## 2 CFR 200.334

- Awards with a specific period of performance, retain 3 years from the date the final expenditure report was submitted.
- For Federal awards that are renewed quarterly or annually, retain for 3 years from the date the grant recipient submits the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or PTE in the case of a subrecipient.

# Calculating Retention Period

## 2 CFR 200.334

- Types of itemized records to be retained:
  - Financial records,
  - Supporting documents,
  - Statistical records, and;
  - All recipients and subrecipients records.
- Add minimum of 3 years from the date of the **FINAL** Financial expenditure report.

# Records Retention Schedule (1)

## Accounting and Finance

- Invoices
- Petty cash and travel vouchers
- Indirect Cost proposals documentation:
  - actual computations, indirect cost proposals, cost allocation plans.
- Infrastructure Funding Agreement, Memorandum of Understanding and Consortia Agreements
- Documentation for selecting subrecipients and Contractors
- Donations ( Match and leveraged )

## Administrative

- Meeting Minutes
- Policies and procedures

# Records Retention Schedule (2)

## Property

- Equipment
- Supplies
- Leases
- Real property
- Insurance
- Maintenance and repairs

## Legal

- Litigations
- Claims
- Monitoring findings
- Audit reports

## Human Resources

- Employment application
- Salary and work schedules
- Retirement and pension
- Employee grievances and complaints
- Payroll reports and summaries
- Time sheets / activity reports

## Participant and Service Provider

- Participant records / case management
- Performance reports and supporting documentation
- Partnership agreement
- Vouchers, stipends, and incentives receipts

# Extending Retention Period

- The period for records retention may be extended ([2 CFR 200.334](#)).
- Under specific situations such as:
  - Written notification to extend retention period.
  - Litigation, claim or audit.
  - Records for real property and equipment.
  - Records transferred or maintained by the Federal awarding agency.
  - Indirect cost rate proposals and cost allocation plans.
  - Program income.

# WIOA

## 2 CFR 200.334

- Grant recipients must collect and maintain records necessary to determine whether the recipient has complied, or is complying, with the nondiscrimination and equal opportunity provisions of sec. 188 of [WIOA](#), or [29 CFR part 38](#).
- WIOA Title I complaints and compliance review records must be retained for not less than three years from the date the complaint or compliance review was resolved.

# **Access To Records**

# Access To Records (1)

## 2 CFR 200.337

- Awarding agency, Inspectors General, U.S. Comptroller General, pass-through entity, or any of their authorized representatives have right of access to any records pertinent to a grant to make audits, examination, excerpts and transcripts.
- For WIOA Title I grant recipients, the Director at the Office of Civil Rights has the same rights of access.
- Restriction applies to accessing the name of a victim of a crime.
- Right of access not limited to period of retention but lasts as long as the records are retained.

# Access to Records (2)

## [2 CFR 200.337](#)

- DOL will not limit public access to its records pertinent to a Federal award, except:
  - For protected personally identifiable information (PII).
  - When DOL can demonstrate such records will be kept confidential and;
    - › Would have been exempted from disclosure pursuant to the Freedom of Information Act (FOIA), or
    - › Controlled unclassified information pursuant to Executive Order 13556 if the records had belonged to the DOL.

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# Personally Identifiable Information

# Personally Identifiable Information (PII)

## 2 CFR 200.1

- PII means information that can be used to distinguish or trace an individual's identity, either alone or when with other personal or identifying information that is linked or linkable to a specific individual.

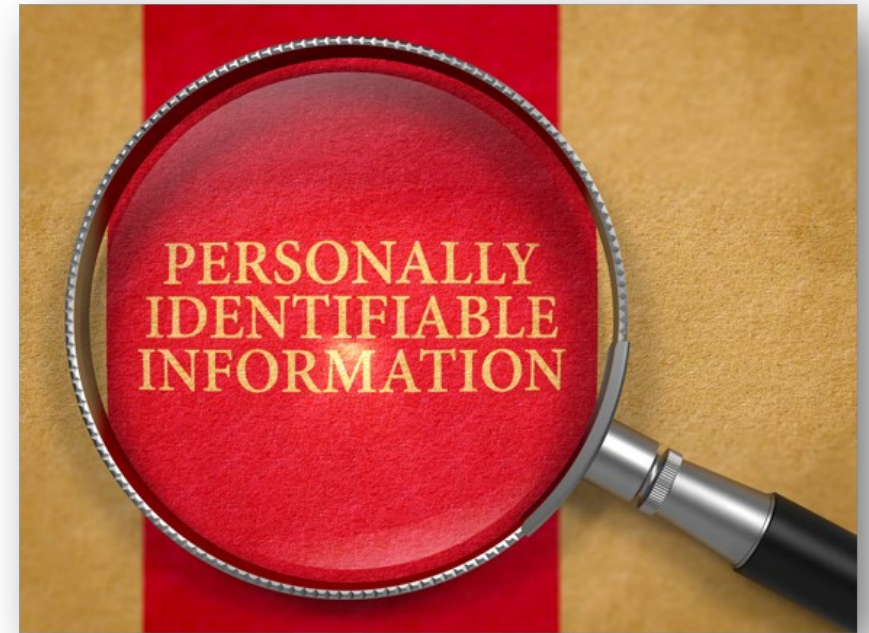
# Types of PII

## Training and Employment Guidance Letter (TEGL) 39-11 Guidance on the Handling and Protection of Personally Identifiable Information (PII).

- **Protected PII** is information that if disclosed could result in harm to the individual whose name or identity is linked to that information ([2 CFR 200.1](#)).
- **Non-sensitive PII** is information that if disclosed, by itself, could not reasonably be expected to result in personal harm.
  - Essentially, it is stand-alone information that is not linked or closely associated with any protected or unprotected PII.

# Protected Personally Identifiable Information

- Example: An individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to:
  - social security number,
  - passport number,
  - credit card numbers,
  - clearances,
  - bank numbers, biometrics,
  - date and place of birth,
  - mother's maiden name,
  - criminal, medical and financial records,
  - educational transcripts.
- This does not include PII that is required by law to be disclosed.



# Non-Sensitive PII

- Examples of non-sensitive PII include information such as:
  - first and last names,
  - e-mail addresses,
  - business addresses, business telephone numbers,
  - general education credentials,
  - gender, or race.

However, depending on the circumstances, a combination of these items could potentially be categorized as protected or sensitive PII.

# Protection of Personally Identifiable Information

[2 CFR 200.303](#), [2 CFR 200.338](#), [TEGL 39-11](#)

- Internal controls to safeguard:
  - Protected PII and;
  - Other information designated as sensitive or considered sensitive.
- Formats may be:
  - Paper, or
  - Electronic.
- Public has no access to PII.





# **Collection, Transmission, and Storage of Records**

# Collection, Transmission, and Storage (1)

## 2 CFR 200.336

- Grant recipients must retain and store records in a manner that will preserve their integrity and admissibility as evidence in any audit/litigation or other proceeding.
- Burden of producing and authenticating records on custodian.
  - Failure to authenticate; not for evidentiary purpose.
- Microfilmed or photocopied records can be substituted for original records as admissible for evidentiary purposes.
- If data are stored in a computer or similar device, any printout or other output readable by sight, shown to reflect the data accurately, is an original.
- To prove the content of a writing or recording, the original writing or recording is required.

# Collection, Transmission, and Storage (2)

- May 2013 Executive Order on Making Open and Machine Readable the New Default for Government Information:
  - Responsibilities of Federal awarding agencies and pass-through entities.
  - Requirements for electronic and paper records.
- PII and Sensitive Data transmission and storage requirements [TEGL 39-11](#).

# Methods to Protecting PII (1)

## TEGL 39-11

- Ensure encryption of PII when sending via email or storing on CD, USB drives.
- Ensure the privacy of all PII obtained from participants and/or other individuals.
- Maintain such PII in accordance with the ETA standards for information security described in TEGl No. 39-11.
- Store PII from ETA grant in an area physically safe from access by unauthorized persons.

# Methods to Protecting PII (2)

## TEGL 39-11

- Advise staff managing the grant of the confidential nature of the information, the safeguards required to protect the information, and that there are civil and criminal sanctions for noncompliance with such safeguards that are contained in Federal and state law.
- Must have policies and procedures in place to acknowledge employees understanding of the confidential nature of the data.
- Do not extract information from data supplied by ETA for any purpose not stated in the grant agreement.
- Must restrict access to any PII created by ETA to only those who need it in their official capacity to perform duties.

# Methods to Protect PII (3)

## TEGL 39-11

- Process all PII data in a manner that will protect the confidentiality of the records/documents and prevent unauthorized persons from retrieving data.
- Do not disclose data anyone but the individual requestor except as permitted by the Grant Officer.
- Must make applicable records available to authorized persons for the purpose of inspection, review, and/or audit.
- Must retain data received from ETA only for the period of time required to use it for assessment and other purposes.

**Failure to comply with the requirements in the TEGl 39-11 may result in termination or suspension of the grant, or imposition of special conditions or restrictions.**

# Recommendations to Protect PII

## TEGL 39-11

- Have participants sign releases acknowledging the use of PII for grant purposes.
- Use unique identifiers for participant tracking.
- Use appropriate methods for destroying sensitive PII in paper files and securely deleting sensitive electronic PII.
- Do not leave records containing PII open and unattended.
- Store documents containing PII in locked cabinets when not in use.

# Custody and Transfer of Records

- Pass-through entity's custody of subrecipient records.
  - Prevents duplication.
  - Ensure access to subrecipient records – retention policy may vary.
  - Take custody of subrecipient records when relationship ends.
  - Protect PII and other sensitive records; encryption techniques should be employed.
- DOL custody of records.
  - When determined that records possess long-term retention value.
- Transfer Costs.
  - 2 CFR 200.335 - Requests for transfer of records.
  - DOL exception at 2 CFR 2900.18 provides that the cost of storing and transferring records to DOL is an allowable cost.

# Check Your Knowledge in 60 Seconds

## Answer True or False:

1. Records for real property and equipment acquired with Federal funds must be retained for three years after the date of the final ETA 9130 report.
2. DOL's or a PTE's right of access to records is not limited to the period of retention but lasts as long as the records are retained.
3. Microfilmed or photocopied records cannot be substituted for original records as admissible for evidentiary purposes.
4. Grant recipients must establish internal controls to ensure the protection of PII.





# Risks and SMART Practices

# Common Risks

## Examples:

- Disposing of records before the required retention period ends (3 years).
- Subrecipient record retention periods ending earlier than the PTE's.
- PTEs not transferring subrecipients records for subawards that are terminated prematurely or for subrecipients who go out of business.
- Easy access of protected personally identifiable information (PII) or other sensitive or confidential information.
- Electronic records are not stored in a safe and secure location.

# SMART Practices (1)

- Ensure policies and procedures including record retention schedules are updated to comply with applicable Federal laws and regulations.
- Identify all financial records, supporting documents, statistical records, and all other records pertinent to the Federal award that must be retained.
- Determine if the physical location of the space used for record retention is safe, adequate, and accessible.
- Install processes and update procedures that safeguard personally identifiable information (PII).

# SMART Practices (2)

- Ensure that records in electronic and digital format are accessible.
- Ensure that access to electronic or digital records are safeguarded from intentional alterations.
- Ensure that the pass-through entities' policies and procedures address transfer of records.

# Questions?



# Testing For Compliance – Core Monitoring Guide

The purpose of ETA monitoring is to assess compliance using the Core Monitoring Guide (CMG). Here is a list of indicators that were discussed during the module's topic.

## ■ **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.
  - › Indicator 2.g.1: Record Retention.
  - › Indicator 2.g.2: Accessibility.
  - › Indicator 2.g.3: Protected PII.
  - › Indicator 2.g.4: Custody and Transfer.

# Records Management Resources

- [Core Monitoring Guide](#)
- Training and Employment Guidance Letter
  - [TEGL 39-11](#)
- Department of Labor Exceptions [2 CFR Part 2900](#)
  - [2 CFR 2900.3](#)
- Department of Labor Provisions
  - [29 CFR Part 38](#)
- WIOA Provisions [20 CFR Part 683](#)
  - WIOA sec. 185(a)
  - WIOA sec. 188
- [Uniform Guidance Crosswalk](#)
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR Part 200
  - [2 CFR 200.1](#)
  - [2 CFR 200.302](#)
  - [2 CFR 200.334](#)
  - [2 CFR 200.336-338](#)

# Thank You!