



DYLAN WRIGHT  
DIRECTOR  
OC COMMUNITY RESOURCES

CYMANTHA ATKINSON  
ASSISTANT DIRECTOR  
OC COMMUNITY RESOURCES

JULIE LYONS  
DIRECTOR  
ADMINISTRATIVE SERVICES

ANDI BERNARD  
INTERIM DIRECTOR  
OC ANIMAL CARE

JULIA BIDWELL  
DIRECTOR  
OC HOUSING & COMMUNITY  
DEVELOPMENT

RENEE RAMIREZ  
DIRECTOR  
OC COMMUNITY SERVICES

STACY BLACKWOOD  
DIRECTOR  
OC PARKS

JULIE QUILLMAN  
COUNTY LIBRARIAN  
OC PUBLIC LIBRARIES

# OC Community Resources

**February 16, 2021**

**TO:** All Community Investment Division (CID) Program Managers, OCCS/Contract Monitoring & Program Compliance, and OCCR/Contract Development & Management

**FROM:** Renee Ramirez, OCCS Director DocuSigned by:  
Renee Ramirez  
9E6A927B349840C...

**SUBJECT: CID Standards for Oversight & Monitoring Policy**

## **PURPOSE**

The purpose of this policy is to establish a standardized OC Community Services /Community Investment Division (OCCS/CID) policy to ensure compliance by implementing a pre-award subrecipient risk assessment process for Human Services contracts funded with federal, state, and/or local funding. All CID Program Managers, OCCS/Contracts Monitoring & Program Compliance (OCCS/CM&PC) and OC Community Resources/Contracts Development & Management (OCCR/CDM) will comply with this policy.

## **EFFECTIVE DATE:**

This Policy is effective on the date of issuance.

## **REFERENCES:**

- Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) ("Uniform Guidance").
- County of Orange Subrecipient Monitoring Policy

## **DEFINITIONS:**

### **Area of Concern**

Potentially problematic processes that without notation or action may result in a finding at a later point. Areas of concern are primarily for technical assistance purposes to prevent violations of federal, state, and/or local policy.

### **Corrective Action Plan**

A list of specific steps that sub-recipients and/or vendors must take within a stated time period in order to achieve compliance.

### **Desk Reviews**

Review made during the monitoring process for the purpose of collecting and analyzing information and to support on-site reviews/monitoring. Desk reviews analyze existing data such as required monthly financial reports, vouchers,

contracts, budgets, data, Management Information System, and prior audits and monitoring reports.

### **File Reviews**

Review of a sample of participant files to determine compliance with required federal, state, and local laws, policies, and procedures.

### **Finding**

Noncompliance with policy, guidance or requested procedural steps.

### **Observation**

Item not addressed within written policy, guidance, or requested procedural steps, but that will need to be reviewed for procedural improvement.

### **On-Site Reviews**

The fundamental component of monitoring reviews, consisting of data collection techniques using formal monitoring guides. On-site reviews allow for the verification of items contained in the contract, grant agreement, or other items identified in the desk review.

### **Pass-Through Entity**

A non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program (Title 2, Part 200.74).

### **Subaward**

An award provided by a pass-through entity to a subrecipient, in order for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract (Title 2, Part 200.92)

### **Subrecipient**

Subrecipient means a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency. (Title 2, Part 200.93).

Subrecipient and/or Vendor – Any entity to which financial assistance under WIOA Title I is extended, either directly from Department of Labor or through the Governor or through contract with the Local Workforce Board (including any successor, assignee, or transferee of a subrecipient and/or vendor), but excluding the ultimate beneficiaries of the WIOA Title I funded program or activity. In addition, One-Stop partners, as defined in Section 121(b) of WIOA, are treated as "recipients" and are subject to the nondiscrimination and Equal Opportunity requirements of 29 CFR Part 38, to the extent that they participate in the One-Stop delivery system (29 CFR Section 38.4[zz]).

### **Workforce Innovation Opportunity Act (WIOA)**

The Workforce Innovation Opportunity Act is a federal act that "provides workforce activities, through statewide and local workforce investment systems, that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the nation. The law was enacted to replace the Workforce Investment Act (WIA),

and the Job Training Partnership Act (JTPA) and certain other federal and job training laws with new workforce systems (or workforce development).

## **BACKGROUND**

OCCS' subrecipients that receive federal, state and local pass through funds must comply with all federal statutes, regulations, and terms and conditions of the subaward. The pre-award risk assessment rating will determine the level of risk for noncompliance with federal statutes, regulations and terms and conditions of the subaward for each subrecipient. The pre-award risk assessment will be conducted by the OCCS Program Manager and the OCCR/CDM Contract Administrator prior to awarding funds to the subrecipient during the Request for Proposal (RFP) process or initial award.

## **PROCEDURE**

A pre-award risk assessment (Attachment A) will be completed following the evaluation panel submission of the memorandum of recommendation which includes either recommendation of the top ranked applicant and/or a list of eligible applicants submitted in rank order. The risk assessment must be completed prior to contract award. The form will be initiated and completed by the Contract Administrator responsible for the solicitation assignment, RFP. The Program Manager assigned and responsible for program responsibilities will review the risk assessment form, provide feedback and/or update the form for risk clarification and sign in concurrence.

OCCR/CDM Contract Administrator will review the request for proposal/applications and rate each predetermined question on the risk assessment form and score it as appropriate. The scoring attributes are set as Low, Medium, or High. The attributes are measured as follows:

### **Low Attributes:**

- Small grant amount
- Entity has complied with the terms and conditions of prior grant awards
- No known financial management problems or financial instability
- High quality programmatic performance
- No, or very insignificant, audit or other monitoring findings
- Timely and accurate financial and performance reports
- Program likely does not have complex compliance requirements
- Entity has received some form of monitoring (e.g., single audit, on-site review, etc.)

### **Medium Attributes:**

- New business
- Small entity handles a complex grant with multiple requirements
- A disclosed conflict of interest exists

### **High Attributes:**

- History of unsatisfactory performance or failure to adhere to prior grant terms and conditions
- Financial management problems and/or instability; inadequate financial management system
- Program has highly complex compliance requirements

- Significant findings or questioned costs from prior audit
- Large award amount

Final score determination will be based on the highest scoring category. For example, if an applicant receives 5 Low points, 7 Medium points, and 2 High points the overall rating for this example is determined as Medium Risk.

For subrecipients awarded federal and state funds through an initial award (not required to be awarded funds through an RFP process), the pre-award risk assessment will be conducted by the OCCS Program Manager and the OCCR/CDM Contract Administrator prior to awarding funds to the subrecipient.

### **Contract Type Determination**

The Subrecipient Determination (Attachment B) will be completed by the OCCR/CDM Contract Administrator following the award determination.

### **Subrecipient Monitoring**

The overall level of risk identified in the Pre-Award Risk Assessment dictates the frequency and depth of the ongoing monitoring needed for each subrecipient. The task to ensure the level of program and fiscal monitoring to be conducted will be assigned to the OCCS Contracts Monitoring & Program Compliance unit.

Subrecipient monitoring process includes:

1. **Notification-** With the exception of unscheduled reviews, notification of pending reviews will be given at the beginning of the monitoring season. CM&PC is authorized to monitor any entity receiving WIOA Title 1 funds, and these reviews may include entering sites or premises to examine program and fiscal records, question employees, and interview participants. It reserves the option to conduct unannounced or unscheduled reviews as appropriate
2. **Monitoring Tools-**CM&PC shall utilize the DOL WIOA Core Monitoring Tool, Service Provider Single Audit Reports and WIOA Fiscal Monitoring Tool,
3. **Random Sampling** - sampling and data validation techniques will be used to draw the samples that will be used to review records. The review may include all (100%) of the record universe if the universe is small or if problems are identified during the review. The sample of participants is sent to the OCWDB approximately one business day prior to the scheduled monitoring visit. Participant files requested must be made available at the scheduled arrival time for review. The files must be separated by funding stream, then alphabetized by participant name.
4. **Working Papers** - Reviewing working papers shall be established during the review and maintained.
5. **Report** - A report will be issued within 30 days of the completion of the review. A response to finding is required within 30 days of report issuance. Finding and/or observations requiring corrective action may be resolved during this period with documentation sent to CM&PC, along with the response from the Service Provider.
6. **Corrective Action Plans** - The Service Provider must issue a corrective action plan to CM&PC within 30 days of the receipt of a report that requires correction action. The corrective action plan shall identify the action that the Service Provider will initiate to correct the problem, the estimated date the problem will be resolved, and how the Service Provider shall be involved in addressing the issue. In the event it is not possible to resolve findings, technical assistance may be scheduled with the Services Provide upon request.

7. **Acceptance of the Corrective Action Plan** – CM&PC shall notify the Service Provider of the resolution of the corrective action plan.
8. **Follow-Up** – At the discretion of the CM&PC, additional monitor reviews may be conducted to ensure full implementation of the corrective action plan.
9. **Fiscal Controls/Sanctions** – In the event of a Service Provider’s failure to take required corrective action for substantial violations of standards, sanctions and fiscal controls will be imposed according to WIOA sections 184(b) and (c). These actions may be appealed to the Secretary of Labor in accordance with section 184(b)(2).
10. **Appeals Process**- The Service Provider will have 30 days to appeal to any finding or adverse observations in the monitoring reports it feels are inaccurate or improper. The appeal must be filed within 30 days from the issuance date of the final determination.  
The Service Provider may appeal final determinations of CM&PC by filing a formal letter of request to the OCWDB/EDD. The appeal must be filed in accordance with the 20 CFR F Grievance Procedures, Complaints, and State Appeals Process.
11. **Data quality reviews**- To ensure data reported is accurate, timely, and relevant to the objectives of the program.
12. **Required progress reporting**- To report milestones or progress made or to bring attention to significant issues encountered so they can be addressed. Note that progress or periodic reporting may already be a requirement of the funding source.
13. **Site and desk reviews**- Review of records either on the premises of the subrecipient or via electronic records sent at the request of the reviewer.

Subrecipient Monitoring schedule will be conducted based on the pre-determined risk level:

High Risk subrecipients

- OCCS/CM&PC shall conduct 2 onsite program monitoring(s) each program year
- Contracted CPA firms shall conduct fiscal monitoring and request for 2 months of sampling

Medium Risk subrecipients

- OCCS/CM&PC shall conduct 1 onsite program monitoring each program year
- Contracted CPA firms to conduct fiscal monitoring and request for 2 months of sampling

Low Risk subrecipients

- OCCS/CM&PC will conduct 1 onsite program monitoring each program year
- Contracted CPA firms to conduct fiscal monitoring and request for 1 month of sampling

**WIOA Monitoring & Oversight**

WIOA Section 683.410(a) states that “Each recipient of funds under Title I of WIOA must conduct regular oversight and monitoring of its WIOA program(s) and those of its sub-recipients and contractors as required under Title I of WIOA, as well as under 2 C.F.R. 200, including 2 C.F.R 200.327, 200.328, 200.331, and Department exceptions at 2 C.F.R. part 2900, in order to:

1. Determine that expenditures have been made against the proper cost categories and within the cost limitations specified in WIOA and the regulations in this part;
2. Determine whether there is compliance with other provisions of WIOA and the WIOA regulations and other applicable laws and regulations;
3. Assure compliance with 2 C.F.R. part 200; and

4. Determine compliance with the nondiscrimination, disability, and equal opportunity requirements of Section 188 of WIOA, including the Assistive Technology Act of 1998 (29 U.S.C. 3003).

### **Annual Ongoing Monitoring**

Each year thereafter the pre-award risk assessment rating is established, the subrecipient risk assessment evaluation rating shall be conducted by the OCCS contracted CPA firm utilizing the County of Orange Subrecipient Risk Assessment - Sample (Attachment C). The CPA firm's rating will dictate the frequency and depth of program and fiscal ongoing annual monitoring for the subrecipient and shall be consistent with the schedule as identified in this Policy under *Subrecipient Monitoring*.

As of the implementation date of this Policy, a subrecipient in 2nd year or more of a contract renewal term and did not receive a pre-award risk assessment rating conducted through either a RFP process or initial award, the risk assessment rating will be based upon the CPA firm's prior year's risk assessment for the subrecipient. The CPA firm's rating will dictate the frequency and depth of program and fiscal ongoing annual monitoring for the subrecipient and shall be consistent with the schedule as identified in this Policy under *Subrecipient Monitoring*.

### **Monitoring Types**

**On-Site Review** - On-Site Reviews will consist of entrance and exit interviews with subrecipient key staff members. The review consists of reviewing files, reports, evaluating processes, participants/staff interviews, collecting samples including but not be limited to, compliance with applicable federal and state laws, regulations, and policies, program administration, participant eligibility, program performance, data reporting, and procurement. In addition, the review will consist of, but not limited to: a review of selected participant case files, policies and procedures pertaining to program operations; program and service benchmarks; may include interview of participants and staff, and review of equipment inventory.

**Desk Review** - Desk Reviews will be conducted in lieu of an On-site monitoring when it is not feasible (e.g. emergency, disaster, etc.).

**Fiscal Monitoring** – Each fiscal year CM&PC through the use of a contracted Third-Party Accounting firm shall conduct in-depth reviews of Service Provider fiscal activities. To assure that funds are spent in accordance with WIOA and 2 CFR part 200. The Third-Party Accounting firm shall use the WIOA fiscal monitoring tool (Attachment D), review Service Provider "Single Audit Reports", desk reviews and on-site reviews in order to:

- Determine that expenditures have been made against the proper cost categories and within the cost limitations specified in WIOA and the regulations in this part;
- Determine whether there is compliance with other provisions of WIOA and the WIOA regulations and other applicable laws and regulations;
- Assure compliance with 2 CFR part 200; and
- Provide technical assistance as necessary and appropriate.

### **Reporting Requirements**

If Subrecipient expends more than \$750,000 in federal funds Subrecipient shall arrange for an audit to be performed, within one hundred fifty (150) days of the end of Subrecipient's fiscal year and in accordance with 2 CFR Part 200, Subpart F, "Audit Requirements of States, Local Governments, and Non-Profit Organizations." For single audit reporting, a subrecipient must submit the audit reporting Orange County CM&PC. Reports must be submitted within 30 calendar days after receipt of the

auditor's report(s) or nine months after the end of the audit period, whichever is earlier. (Uniform Guidance Section 200.507[c][1])

### **Record Retention**

- A. Subrecipient with no payroll activities, OCDB requires that reports and other records of monitoring activities must be retained for three years from the date of submission of the final expenditure reports regarding the funding sources monitored. If any litigation, claim, audit or other action involving the records has been started before the expiration of the three-year period, the records must be retained until completion and resolution of all such actions or until the end of the three-year period, whichever is later [Title 29 CFR Sections 95.53(b) and 97.42(b)(c)].
- B. Subrecipients with payroll activities, OCDB requires for reports and other records of monitoring activities must be retained for three years from the date of submission of the final expenditure reports regarding the funding sources monitored. If any litigation, claim, audit or other action involving the records has been started before the expiration of the three-year period, the records must be retained until completion and resolution of all such actions or until the end of the three-year period, whichever is later.

### **WIOA Contract Closeout**

The contract closeout is a process used to determine that all the necessary administrative and fiscal actions have been completed under the contract; and that any necessary adjustments in the program to include financial activities have been resolved. Closeout is the process also used to resolve outstanding compliance issues to include refunds, corrective action plans and remedies.

Service Providers must submit a signed letter on company letterhead attesting to the following:

- All program related activities are complete
- The program final invoice has been submitted
- Excel spreadsheet listing all property purchased with Subgrant/Subaward proceeds and
- A statement indicating (if applicable) the disposition of any property that was purchased with Subgrant/Subaward proceeds.
- A statement indicating (if applicable) that any corrective action measures as a result of any unsatisfactory fiscal or program monitoring has been resolved.
- Program and fiscal reports are complete
- Program Evaluations are complete and submitted
- Final invoice must be sent by the Service Provider and received by OCWDB accounts payable department on or before date (30 days from contract close)

Once OCWDB has received the above aforementioned items and they have been found to be in good order, the CMPC unit will send correspondence indicating that the Contract is closed.

### **WIOA Corrective Action**

The following outlines a progressive way OCWDB will address performance deficiencies. The corrective action plan will be coordinated with OCCR/CDM to ensure consistency with contract requirements and proper documentation and notification of deficiency.

1. OCWDB shall send a "warning" letter noting the area(s) of deficiency, for the performance measure(s) in that accountability period, to the Service Provider's (Notice) or equivalent position. In some circumstances, such as when performance triggers are specifically called out in the contract's language, the process may move directly to a Corrective Action Plan (CAP) without the step of sending a warning letter.

2. The Service Provider is required to provide a response to the OCWDB within five (5) business days of the issuance of the warning letter and complete the following:
  - a. Submit a corrective action plan;
  - b. Schedule a meeting with the OCWDB Program Staff to review performance, corrective action plan, and training needed;
  - c. Monthly status reports that are due by the 10<sup>th</sup> of each month; and
  - d. Participate in monthly meeting with OCWDB Program Staff to monitor progress
3. Ultimately, it is the responsibility of the Service Provider and not the OCWDB to address and resolve performance and contract compliance issues. However, the OCWDB will work with the Service Provider to address technical assistance and/or capacity building needs to ensure the delivery of high-quality services to participants. This may include technical assistance provided by the OCWDB Program Staff, or other designated staff, as necessary, and/or outside technical assistance or consulting to assist the provider.
4. Once a “warning” letter has been issued, the deficiency will continue to be reviewed by the OCWDB Program Staff to determine if the issue has been resolved by the end of the period specified in the response to the warning letter. If a Service Provider is found to continue to be deficient at this date, a letter will be sent to the Service Provider’s Signature Authority (NOTICE) formally requesting a Corrective Action Plan.
5. The Service Provider is required to provide a response to the OCWDB Program Staff within five (5) business days of issuance of the corrective action letter and complete the following:
  - a. Submit a corrective action plan;
  - b. Schedule meeting with OCWDB Program Staff to review performance, corrective action plan, and training needed;
  - c. Monthly status reports that are due by the 10<sup>th</sup> of each month; and
  - d. Participate in a monthly meeting with OCWDB Program Staff to monitor progress.
6. If the deficiency (ies) is not satisfactory rectified, the OCWDB will review the Service Provider’s Corrective Action Plan and any supporting documentation, along with staff recommendations, and provide further direction.
7. Any resolution of the Corrective Action Plan will be communicated, via written correspondence, by the OCWDB to the Service Provider’s Signature of Authority (Notice)
8. Outstanding Corrective Action status shall be subject to one or more of the following actions:
  - a. The Corrective Action may be continued for an additional time period depending upon the circumstances of the deficiency and ability to resolve the issue promptly, as determined by the OCWDB; or
  - b. Service Provider with outstanding or unresolved Corrective Action Plan(s) may face one or more of the following consequences;
    - i. Service Provider may not be considered for continued funding; or an extension of their contract with OCWDB
    - ii. Service Provider may be subject to a de-obligation of funds;
    - iii. Service Provider may be considered ineligible for funding in future procurements, for a specified time period, from OCWDB; and/or
    - iv. Service Provider may be subject to a termination of contract

9. If it is determined that a de-obligation of funds or a termination of contract is warranted, this recommendation will be brought for approval by the formula governance structure of the OCWDB. Written notification will be sent to the Service Provider Signature of Authority (Notice) informing them of such action.

**ATTACHMENTS:**

- Pre-Award Risk Assessment Checklist (Attachment A)
- Subrecipient Determination (Attachment B)
- County of Orange Subrecipient Risk Assessment - Sample (Attachment C)
- Fiscal and Procurement Monitoring Tool (Attachment D)



## PRE-AWARD RISK ASSESSMENT

SUBRECIPIENT:	CONTRACT NUMBER:	FISCAL YEAR:
---------------	------------------	--------------

PROGRAM NAME:	GRANT AWARD NUMBER:	GRANT PERIOD:
---------------	---------------------	---------------

1. Amount	<u>Small</u>	<u>Medium</u>	<u>Large</u>	<u>Comments</u>
Agency set the Criteria for determining size of grant:	\$0 - \$100K	\$100K -	>\$500K	
Amount of the award (If award amount is unknown, an estimate award should be used.)				

2. Funding of Entity	<u>Small</u>	<u>Medium</u>	<u>Large</u>	<u>Comments</u>
Agency set percentage criteria:	1%-32%	33% - 65%	66% - 100%	
What percentage of funding would this grant be for the entity in comparison to the entity's total funding?				

3. Accounting System	<u>Automated</u>	<u>Manual</u>	<u>Combo</u>	<u>Comments</u>
Type of accounting system used by the entity?				

4. Program Complexity	<u>Slightly</u>	<u>Moderately</u>	<u>Highly</u>	<u>Comments</u>
Rate the complexity of the program.				

5. Entity Risk (Questions Must Be Answered for ALL Grants)	<u>Low</u>	<u>Medium</u>	<u>High</u>	<u>Comments</u>
a. Is the entity receiving an award for the first time from the State?				
b. Will the entity be receiving funds prior to expenses being claimed?				
c. Does a conflict of interest exist between the applicant and Department issuing the grant?				
d. Does the program leader have more than 3 years of experience in managing the scope of services required under this program?				
e. Do the entity's financial and programmatic staff who will oversee this grant have more than one year prior federal grant award experience?				
f. Has the entity been in business for less than 3 years?				
g. Does the entity anticipate subcontracting or subgranting the grant onto other entities?				
h. If applicable, is there any indication that the subrecipient may have difficulty meeting the required match?				

**Subtotal Number of Check Marks:**

0

0

0

<b>6. Entity Risk (Questions Must Be Answered for MEDIUM and LARGE Grants)</b>	<u>Low</u>	<u>Medium</u>	<u>High</u>	<u>Comments</u>
a. Does the entity have prior experience with similar programs?				
b. Does the entity maintain policies which include procedures for assuring compliance with the terms of the award?				
c. Does the entity have an accounting system that will allow them to completely and accurately track the receipt and disbursements of funds related to the award?				
d. If applicable, does the entity have a system in place which can track employee time spent on multiple programs?				
e. If applicable, does the entity have a procurement system or procedures in place that meet the minimum federal requirements for procurement?				
f. If applicable, does the entity have a property management system that meets the minimum federal requirements for equipment management?				
g. If applicable, does the entity have an adequate system or procedures in place for tracking and evaluation of in-kind match?				
h. Has the entity been audited in the past 3 years? (select N/A if has been in business for less than this amount of time)(Per 2 CFR 200.501, this is required for all entities who receive over \$750,000 in federal funds				
i. If the entity received over \$750,000 in federal funds from all sources total last year, was a single audit conducted on the entity per 2 CFR 200.501.				
j. Did the entity have one or more audit findings in their last single audit regarding program non-compliance and/or significant internal control deficiency?				
k. Are there currently any unresolved audit issues?				
l. Does the entity intend to claim use of personal property as an expense?				
m. Other issues that may indicate risk of non-compliance? (List issues in the box below. If more than one, list point value next to each one, add points together and put total into the green point-value box.)				
<b>Subtotal Number of Check Marks:</b>	0	0	0	

<b>7. Entity Risk (Questions Must Be Completed for Non-New Entities)</b>	<u>Low</u>	<u>Medium</u>	<u>High</u>	<u>Comments</u>
a. Were performance and financial reports submitted timely for prior grant awards? ( i.e. within the agency specified timeframe)				
b. Were financial reports accurate for prior grant awards?				
c. Did the entity stay on budget in prior years?				
d. Did the entity adhere to all terms and conditions of prior grant awards?				
e. Was reasonable progress made towards performance goals for prior grant awards?				
f. Did the entity and its staff members respond to State requests timely during prior grant awards?				
g. Did the entity's key staff members attend required trainings and meetings during prior grant awards?				
h. Do the results of monitoring procedures at the entity in prior years indicate any areas of concern or higher risk?				

**Subtotal Number of Check Marks:**

0

0

0

**TOTAL NUMBER OF CHECK MARKS:**

0

0

0

**OVERALL RATINGS CATEGORY (HIGH, MEDIUM, OR LOW)**

Explanation (only needed if overall ratings category is different from the ratings category with the most checkmarks, above.)

**Additional Notes and ongoing risk assessment concerns for entity:****PREPARED BY:****TITLE:****DATE:****APPROVED BY:****TITLE:****DATE:****COMMON ATTRIBUTES OF GRANTEES WITH LOW, MEDIUM AND HIGH RISK:****Low Risk: Most of the following attributes should be present to be considered low risk**

- ▶ Small grant amount
- ▶ Entity has complied with the terms and conditions of prior grant awards
- ▶ No known financial management problems or financial instability
- ▶ High quality programmatic performance
- ▶ No, or very insignificant, audit or other monitoring findings
- ▶ Timely and accurate financial and performance reports
- ▶ Program likely does not have complex compliance requirements
- ▶ Entity has received some form of monitoring (e.g., single audit, on-site review, etc.)

**Medium Risk:**

- ▶ New business
- ▶ Small entity handles a complex grant with multiple requirements
- ▶ A disclosed conflict of interest exists

**High Risk:**

- ▶ History of unsatisfactory performance or failure to adhere to prior grant terms and conditions
- ▶ Financial management problems and/or instability; inadequate financial management system
- ▶ Program has highly complex compliance requirements
- ▶ Significant findings or questioned costs from prior audit
- ▶ Large award amount

# RECIPIENT CHECKLIST FOR DETERMINING IF THE ENTITY RECEIVING FUNDS HAS A CONTRACTOR OR SUBRECIPIENT RELATIONSHIP

This document is intended to help a recipient of federal funds make a judgment as to whether each agreement it makes, for the disbursement of federal program funds, casts the entity receiving the funds in the role of a subrecipient or a contractor. Based on 2 CFR Chapter I, Chapter II, Part 200 et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), issued by the U.S. Office of Management and Budget (OMB) on December 26, 2013, and effective for non-federal entities on December 26, 2014, the following information is intended for use by all non-federal entities.

### Important Terms:

**Recipient:** A non-federal entity that receives a federal award directly from a federal awarding agency to carry out an activity under a federal program. The term recipient does not include subrecipients. (See 2 CFR 200.86 of the Uniform Guidance.)

**Subrecipient:** A non-federal entity that receives a subaward for the purpose of carrying out part of a federal award. The subaward creates a federal assistance relationship with the subrecipient. (See 2 CFR 200.93 & .330 (a) of the Uniform Guidance.)

**Contractor:** A non-federal entity that receives a contract for the purpose of providing goods and services for the awarding non-federal entity’s own use. The contract creates a procurement relationship with the contractor. The Uniform Guidance replaced the term “Vendor” with “Contractor.” (See 2 CFR 200.22 & .330 (b) of the Uniform Guidance.)

**Instructions:** The “Characteristics” column in this checklist is based on language in the Uniform Guidance. The column lists characteristics that support the classification of a non-federal entity as a subrecipient or contractor. Since all of the characteristics listed may not be present in all cases, the Uniform Guidance recognizes that the recipient “...must use judgment in classifying each agreement as a subaward or a procurement contract.” (2 CFR 200.330 (c).) In the “Explanations” column, AGA provides additional information to assist in answering the questions under “Characteristics.” Answer each question by checking “yes” or “no” where indicated. Based on responses to the questions, a key provided at the end of each section will help in making a judgment as to whether a subrecipient or contractor relationship exists. White space is provided in between the “Characteristics” column and the “Explanation” column so that users can tailor this checklist to accommodate the unique aspects of various programs or jurisdictions.

**Note:** One check in a subrecipient box does not necessarily mean the entity is a subrecipient. A judgment should be based on the totality of responses.

Office \_\_\_\_\_

Entity receiving funds \_\_\_\_\_

Funding Source(s) \_\_\_\_\_

### Notes:

---

---

---

---



## CHARACTERISTICS

## EXPLANATIONS

### Decision Making Authority

**200.330 a. 1** Determines who is eligible to receive what Federal assistance;

a. Does the entity determine who is eligible to participate in the federal program?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

**200.330 a.3** Has responsibility for programmatic decision making;

a. Does the entity have the ability to make decisions about how services will be delivered to participants, in accordance with federal programmatic requirements?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

**OR**

**200.330 b.4** Provides goods or services that are ancillary to the operation of the Federal program;

b. Does the entity provide goods or services for the recipient's own use?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

b. Does the entity provide services designated by the recipient to serve the recipient's participants without regard to specific federal programmatic requirements?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If you selected "yes" to **EITHER** item **a**, this is an indicator of a subrecipient relationship.  
If you selected "yes" to **EITHER** item **b**, this is an indicator of a contractor relationship.

Subrecipient	Contractor
<input type="checkbox"/>	<input type="checkbox"/>

If the entity determines whether a participant meets a federal program's eligibility requirements for assistance, it is most likely a subrecipient.

A contractor may provide services to clients in a program after eligibility has been determined by the recipient.

If the entity has authority to make decisions regarding the delivery of service, operations, or types of assistance provided within the terms of the agreement, it is typically a subrecipient.

If the entity provides goods or services directly to the recipient or to program participants at the direction of the recipient and does not make programmatic decisions or adhere to program requirements, it is typically a contractor.

### Nature of Award

**200.330 a. 2** Has its performance measured in relation to whether objectives of a federal program were met;

a. Are the scope of work (or portion, if applicable) and terms and conditions of the agreement the same for the entity as they are for the recipient that received the federal funds?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

a. Is the entity carrying out completion of the goal of the grant (or part, if applicable) as stated in the federal award?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

**OR**

**200.330 b.5** Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

b. Does the recipient develop the scope of work and terms and conditions of the agreement to meet the recipient's needs?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If you selected "yes" to **EITHER** item **a**, this is an indicator of a subrecipient relationship.  
If you selected "yes" to item **b**, this is an indicator of a contractor relationship.

Subrecipient	Contractor
<input type="checkbox"/>	<input type="checkbox"/>

If the entity is providing a service for the recipient to meet the goal of the grant, it is a contractor; if the entity is providing a service that carries out a goal within the scope of the grant, it is a subrecipient. When a grant program contains multiple goals, it is possible for the recipient to complete part of the goals and for the entity to perform another part.

If the scope of the agreement is per the federal program terms/guidance, the entity is a subrecipient. A subrecipient may also provide programmatic or progress reports to ensure compliance with federal program requirements.

Conversely, if the scope of the agreement is per the recipient's terms and not federal program guidance, and if the recipient's oversight is governed only by the contract terms and conditions, it is a contractor.

**200.330 a.4** Is responsible for adherence to applicable Federal program requirements specified in the Federal award;

a. Funding to the entity depends on the entity's ability to best meet the objectives of the award. Although performance is measured against federal award objectives, the entity assumes little risk if the objectives are not met.

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

**OR**

**200.330 b.5** Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

b. The entity assumes financial risk if they fail to deliver the goods or services agreed upon.

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If you selected "yes" to item **a**, this is an indicator of a subrecipient relationship. If you selected "yes" to item **b**, this is an indicator of a contractor relationship.

Subrecipient	Contractor
<input type="checkbox"/>	<input type="checkbox"/>

If the funding is given to the entity with a purpose of completing the goal of the grant, the recipient will be required to ensure the entity adheres to federal grant program guidance. The recipient will also be required to monitor the activities of the entity per Uniform Guidance section 200.331. The entity assumes little risk should federal grant guidance not be met. The risk falls with the recipient.

If the recipient directs specific activities to be completed by the entity, by providing goods or services, the risk falls on the entity to deliver, per the agreement terms. In this case, the entity would not be required to adhere to the federal grant program requirements, just the terms and conditions in the agreement with the recipient.

**Criteria for Selection**

**EXPLANATIONS**

**200.330 a.5** In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

a. Does the entity demonstrate a financial or public need for funding to carry out a project or provide a service?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

a. Will the entity be contributing match or other non-Federal funding in support of the award?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

a. Will the entity be reimbursed for only actual costs incurred?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

**OR**

**200.330 b.3** Normally operates in a competitive environment;

b. Were procurement policies applied in the selection of the entity?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

b. Was the entity's proposed price a factor in the selection process?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

b. Will the entity derive a profit from the agreement?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If you selected "yes" to **ANY** item **a**, this is an indicator of a subrecipient relationship. If you selected "yes" to **ANY** item **b**, this is an indicator of a contractor relationship.

Subrecipient	Contractor
<input type="checkbox"/>	<input type="checkbox"/>

If the entity was chosen because it has the best widgets or service for the price, it has a contractor relationship with the recipient. Typically, a procurement method is followed, such as a competitive bid or RFP process. In this type of agreement, the entity usually makes a profit by delivering this good or service to the recipient. Payments to contractors are typically made based on contract terms.

Conversely, if the entity was chosen because it was already providing a service within the guidelines of the grant program and wants to partner with the recipient to expand the delivery or assist in meeting the goal of the grant, it may be a subrecipient. Typically, the entity may not make a profit and may provide its own non-federal funding as match or cost sharing. The entity may have been chosen through an application process or an announcement of funding, as opposed to the procurement process described above. Payment to a subrecipient is generally based on actual expenses unless awarded on a fixed amount subaward (2 CFR 200.332). It is typical of subrecipients to submit budgets, financial reports, or copies of invoices to the recipient, to document activity.



**200.330 b.1** Provides the goods and services within normal business operations;

b. Is the entity's normal business to provide the goods or services being purchased in the agreement?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

**200.330 b.2** Provides similar goods or services to many different purchasers;

b. Does the entity provide the same goods or services to other organizations?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If a federal program provides funding to modify public buildings for handicapped accessibility and the recipient provides funds to an entity to update the entity's building, per the terms of the award, then a subrecipient relationship exists.

Conversely, if the recipient hires an entity to update their own building to be handicapped accessible, then a contractor relationship exists.

If you selected "no" to **EITHER** item, it is an indicator of a subrecipient relationship. If you selected "yes" to **BOTH** items, it is an indicator of a contractor relationship.

Subrecipient	Contractor
<input type="checkbox"/>	<input type="checkbox"/>

**Determination**

EXPLANATIONS

**Final Determination**

Subrecipient	Contractor
<input type="checkbox"/>	<input type="checkbox"/>

Review all the entries and make an overall determination of the relationship. **Check the appropriate box in this section.**

**Determined by** \_\_\_\_\_ (enter name of person initially making decision) \_\_\_\_\_ (date)

**Approved by** \_\_\_\_\_ (enter name of person reviewing) \_\_\_\_\_ (date)

*Based on the relationship determined above, see additional guidance on requirements governing agreements. Section 200.331 - "Requirements for pass-through entities," for subrecipient agreements, Section 200.317 through 200.326 - "Procurement Standards," for contractor agreements.*

---



---



---



---



---



---

County of XXX  
 Monitoring Assessment Checklist  
 Subrecipient: XYZ, contract # XXXX  
 FY: 20XX-XX

<b>Factor</b>	<b>A - High</b>	<b>B - Medium</b>	<b>C - Low</b>	<b>COMMENTS</b>
1. Experience with County			X	
2. Experience providing same or similar services	X			
3. Quality of prior services provided in other contracts		X		
4. Results of Contract Audit	X			
5. Results of Department Fiscal review	X			
6. Results of Single Audit	X			
7. Size of the Program	X			
8. Changes in Personnel	X			New program manager
9. Information System			X	No changes in IT environment
10. External Quality Assurance, Licensing, Accreditation, or Certification			X	
11. Other Factors:			X	
Documented Policies and procedures			X	
Financial Stability of Entity	X			
Complexity of Award Requirements	X			
Single or Multi-year Award			X	
<b>TOTAL NUMBER OF CHECK MARKS FOR EACH COLUMN:</b>	<b>8</b>	<b>1</b>	<b>6</b>	

OVERALL RATINGS CATEGORY (HIGH, MEDIUM, OR LOW)	Explanation (only needed if overall ratings category is different from the ratings category with the most checkmarks, above.)
HIGH	

Prepared By: Employee A  
 Approved By: Supervisor B

Date: XX/XX/XXXX  
 Date: XX/XX/XXXX

Subrecipient: XYZ  
Contract #: XXXX  
FY: 20XX-XX

Monitoring Assessment Level: HIGH

The following monitoring activities will be used during the period of the plan:

Activity	Will be Used (Y/N)	Frequency	Description	Activity to be performed by	Documentation Method
Site Visits	Y	2x per year	Site Visits	XXX	Site Visit Report
In Depth Invoice Reviews	Y	Monthly	In depth review of Monthly Invoices	XXX	Invoice Review Checklist
Progress Meetings	Y	Quarterly	Quarterly Meeting with XYZ Program Personnel	XXX	Agenda; Sign In Sheet
Review of Single Audit Report	Y	Annually	Review of SA report	XXX	SA Review Checklist

Prepared By: *Employee A*

Date: XX/XX/XXXX

Approved By: *Supervisor B*

Date: XX/XX/XXXX



**Workforce Innovation and  
Opportunity Act  
Fiscal and Procurement Administration**

**Fiscal Monitoring**

**Includes Fiscal and Procurement Monitoring Tools**

## BACKGROUND AND INSTRUCTIONS

The purpose of the Fiscal and Procurement Monitoring Review Guide is to provide the monitor with information needed to conduct an on-site review of Subrecipients grants' fiscal and procurement operations. As stated in the confirmation letter, the monitor will review for compliance with applicable federal and state laws, regulations, and policies related to the Workforce Innovation and Opportunity Act (WIOA). The Fiscal and Procurement On-site Monitoring Review Guide should facilitate a more efficient review. The Fiscal and Procurement On-site Monitoring Review Guide consist of three sections. We request the CPA Firm to complete Sections I and II in the guide. The Attachments, required for submission, will be used by the CPA Firm while conducting the review.

Please note that citations are provided for reference but may not be inclusive of all requirements.

Thank you.

Date: \_\_\_\_\_

Subrecipient \_\_\_\_\_

Contract Number: \_\_\_\_\_

Program \_\_\_\_\_

Fiscal Monitor/Auditor: \_\_\_\_\_

Fiscal Contact Person: \_\_\_\_\_

Procurement Contact Person: \_\_\_\_\_



## SECTION 1 - FISCAL EXPENDITURE CONTROL

- A. Please describe the accounting method used to track its WIOA expenditures (include the accounting software used and any supplemental software such as Excel to manage recordkeeping, etc.).
- B. Describe how accounting records are used to arrive at the reported expenditure amounts. (Please provide documentation of procedure to accompany this description. This may include printouts from the accounting system, cost allocation spreadsheets, etc.)
- C. WIOA requires that actual expenditures are reported on the Expenditure and Cash Report (listed in addition to actual expenditures under “federal share of expenditures” on this report). How does the Subrecipient ensure that all costs reported are on a cash basis? (Please provide a detailed description of the process to identify expenditures.)
- D. What types of costs make up actual expenditures (i.e., rent, salaries, contracts, etc.)? Selecting one of the types listed please provide an example of how cash expenditures are captured and reported on the Expenditure and Cash Report with supporting documentation. This may include print outs from an accounting system, excel spreadsheet(s), etc., showing how Subrecipient arrived at the expenditure amount.)
- E. If Subrecipient reports on a cash basis, describe the internal controls, such as checklist for statement-closing procedures, to ensure that open invoices and amounts for goods and services received are properly expended or recorded in the books or controlled through worksheet entries?

(Answer this question only if Subrecipient has subcontractors/vendors) Does Subrecipient require subcontractor(s)/vendor(s) to report on a cash basis? \_\_\_\_\_ YES \_\_\_\_\_ NO

If **Not**, please describe in detail how the Subrecipient captures its subcontractor(s)/vendor(s) actual expenditures? *(Provide a separate attachment if enough room is not provided.)*

Does Subrecipient expect to generate program income as defined in 2 CFR §200.307 during the current budget fiscal year? \_\_\_\_\_ YES \_\_\_\_\_ NO

If **Yes**, what constitutes the program income (i.e., interest, facility rental, service fees, etc.)?

Describe the methodology for spending program income generated from the WIOA funds spent? If additional funding is requested, describe how implementation of this methodology is done prior to requesting additional funds?

Describe how Federal funds are identified and tracked in the accounting system?



Are sources of non-Federal funds identified and tracked in the accounting system? \_\_\_\_\_ YES \_\_\_\_\_ NO

Does Subrecipient use a Chart of Accounts and/or Accounting Manual required by the County of Orange?  
\_\_\_\_\_YES \_\_\_\_\_NO

Is there enough detail in the Chart of Accounts and/or Accounting Manual to meet federal reporting requirements?  
\_\_\_\_\_YES \_\_\_\_\_NO \_\_\_\_\_ NOT SURE

(Attach a current Chart of Accounts and/or Accounting Manual for WIOA expenditures that identify the funding stream, type of cost category, and whether the cost is from WIOA or program funds.)

Does the Subrecipient accounting manual describe the criteria for an obligation? \_\_\_\_\_ YES \_\_\_\_\_ NO  
If Yes, provide a copy of the description.

For WIOA contracted funds with the Orange County Workforce Development Board (OCWDB), , does the accounting system provide information on the following:

- a Authorizations .....\_\_\_\_\_YES\_\_\_\_\_NO
- b Obligations .....\_\_\_\_\_YES\_\_\_\_\_NO
- c Funds received .....\_\_\_\_\_YES\_\_\_\_\_NO
- d Program Income .....\_\_\_\_\_YES\_\_\_\_\_NO
- e Sub-awards.....\_\_\_\_\_YES\_\_\_\_\_NO
- f Outlays .....\_\_\_\_\_YES\_\_\_\_\_NO
- g Unobligated balances .....\_\_\_\_\_YES\_\_\_\_\_NO

Are obligations recorded by:

Funding Source .....\_\_\_\_\_YES\_\_\_\_\_NO  
Object code.....\_\_\_\_\_YES\_\_\_\_\_NO

Does the accounting system allow for the liquidation of prior-year obligations?  
\_\_\_\_\_YES\_\_\_\_\_NO If **No**, what is the policy for liquidation of prior-year obligations?

Are requests for payment to the Subrecipient based on information from the accounting system? If not, how are such requests determined? \_\_\_\_\_YES\_\_\_\_\_NO

Does the system provide for prompt and timely recording and reporting of all financial transactions?  
\_\_\_\_\_YES\_\_\_\_\_NO



Are there controls to preclude:

Over-obligation .....  YES  NO  
 Under- or overstatement of unliquidated obligations .....  YES  NO  
 Duplicate payments .....  YES  NO  
 Inappropriate changes to grants .....  YES  NO

Are all reports prepared on the same basis as the accounting system (cash basis)?  
 YES  NO

During the state fiscal year(s), did the Subrecipient comply with the requirement to liquidate outstanding obligations within 45 days of the end of the grant period, in the period stated in the award or as proscribed in a program regulation?  YES  NO If **No**, was a waiver obtained from the OCWDB?

Does the Subrecipient have or follow state-mandated policies and procedures governing the retention of records that are (*check those that apply*):

**FISCAL**

**PROGRAMMATIC**

Do the Subrecipient's policy and procedures meet or exceed Federal retention requirements for the following: (Please provide copy of record retention policy.)

General Requirements: Five years from the final expenditure report or audit resolution or other action, whichever is later.  YES  NO

Real Property and Equipment: Five years from the date of disposition or replacement or transfer at the direction of the awarding agency  YES  NO.

What is the total amount of Federal funds received by the Subrecipient and applicable subcontractor(s)?



## CASH MANAGEMENT AND INTEREST INCOME

Please describe the cash management methodology (i.e., reimbursement, forecasting, just-in-time, etc.) *(Provide copy of Policy and Procedure)*

Subrecipient must operate on a cash reimbursement method; identify the source of funds used in lieu of WIOA funds to initially pay for the WIOA costs.

Please describe the source documents and the process used to substantiate cash requests. *(Provide documentation)*

Does Subrecipient maintain WIOA funds in interest bearing accounts? \_\_\_\_\_YES\_\_\_\_\_NO

If **Yes**, is the interest income earned on WIOA cash advances being included and reported to the Orange County Workforce Development Board as program income? If **No**, explain:



## INTERNAL CONTROL

1. Identify the staff responsible for the following *(Include name and title and)*:

Name and Title of Staff Responsible	Fiscal Responsibilities											
	Prepares Draws	Prepares Deposits	Prepares Reconciliations	Handles Petty Cash	Approves Cash Receipts	Approves Purchase Orders	Signs Checks	Prepares Checks	Maintains General Ledger	Receives Checks	Access to Blank Checks	Authorizes Disbursements

2. If the staff responsible for drawdowns or deposits is the same person who reconciles the bank account, how is appropriate internal control maintained? Explain:



3. If the staff responsible for handling petty cash is the same person who approves cash receipts, how is appropriate internal control maintained? Explain:

### Internal Control

Are specific management and staff designated to approve payrolls and other major transactions?  
\_\_\_\_\_YES\_\_\_\_\_NO

Do the procedures for cash receipts and distributions include safeguards?  
\_\_\_\_\_YES\_\_\_\_\_NO

Are Receipts are promptly logged in, restrictively endorsed, and deposited in an insured bank account  
\_\_\_\_\_YES\_\_\_\_\_NO

Are Bank statements are promptly reconciled to the accounting records, and are reconciled by someone other than the individuals handling cash, disbursements and maintaining accounting records  
\_\_\_\_\_YES\_\_\_\_\_NO

Are all disbursements (except petty cash or EFT disbursements) are made by pre-numbered checks  
\_\_\_\_\_YES\_\_\_\_\_NO

Do Supporting documents (e.g., purchase orders, invoices, etc.) that accompany checks submitted for signature and are marked "paid" or otherwise, get prominently noted after payments are made  
\_\_\_\_\_YES\_\_\_\_\_NO

Checks drawn to "cash" and advance signing of checks is prohibited \_\_\_\_\_YES\_\_\_\_\_NO

Multiple signatures required on checks \_\_\_\_\_YES\_\_\_\_\_NO

Are employees and other individuals in positions of trust covered by adequate fidelity bonds?  
\_\_\_\_\_YES\_\_\_\_\_NO

Are individuals in a position of trust required to take vacations and their duties performed by others while on vacation? \_\_\_\_\_YES\_\_\_\_\_NO





## INDIRECT COST RATE

Does Subrecipient have an Indirect Cost Rate (ICR) that is used to charge to the WIOA pass through funds received from the OCWDB? \_\_\_\_\_YES\_\_\_\_\_NO

If **Yes**, provide a copy of the Indirect Cost Rate Plan

Was the Indirect Cost Rate Plan approved by the cognizant agency? \_\_\_\_\_YES\_\_\_\_\_NO

*(Provide copy of the ICR certification)*

If **Yes**, which federal or state agency approved the rate plan?

If **No**, explain why not:

Describe how the indirect cost rate is charged to the WIOA fund. Is the actual ICR charged to WIOA pass through funds received from the OCWDB higher or lower than the approved rate? *(Explain)*

Were indirect costs claimed during the fiscal year(s) in accordance with the approved indirect cost rate or plan for the:

Unrestricted program? .....\_\_\_\_\_YES\_\_\_\_\_NO

Restricted program? .....\_\_\_\_\_YES\_\_\_\_\_NO



## *Indirect Cost Rate*

Is Subrecipient currently using the de minimis rate? \_\_\_\_\_ YES \_\_\_\_\_ NO  
(References: CFR200.414, Appendix VII to Part 200)

### **COST/RESOURCE SHARING AGREEMENT (RSA) AT THE ONE- STOP(S)**

Identify each participating agency in the One-Stop system and ensure that each participant-agency in the One-Stop system pay its fair share of costs.

<b>Partner/Representing Agency</b>	<b>Benefit to WIOA Grant/Job Seeker/employer participant</b>	<b>Physically Located at One-Stop (Yes/No)</b>
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____



Each partner is an entity which receives a grant or administers a program for a job seeker or employer participant of the Workforce system, whether at a one stop center or another location. List the participating agencies in the One-Stop system (please include all agencies physically located at the One-Stop locations, *as well as* any participating agencies that provide off-site services). Include a brief description as to how each agency benefits the WIOA youth, adult, and dislocated worker grant. Also indicate if the partner is physically located at the One-Stop location. Provide an additional attachment if more space is needed.

**Cost Resource Sharing at the One-Stop**

Attach a list of each One-Stop with physical address.

Please list the One-Stop locations that currently have a co-location agreement in place for any of the one-stop participating agencies listed above.

Does Subrecipient have an MOU with all One-Stop partners listed in question 1, above? *(If Yes, provide a copy of each MOU.)*

\_\_\_\_\_YES\_\_\_\_\_NO

Does the MOU explain how each One-Stop partner will share costs and/or contribute resources?

\_\_\_\_\_YES\_\_\_\_\_NO

If an MOU is not in place, explain what mechanism is employed in lieu of the MOU:

Does Subrecipient have a Cost/Resource Sharing Agreement (addendum, MOU clause, or separate agreement) with all One-Stop partners? \_\_\_\_\_YES\_\_\_\_\_NO. If **No**, explain: *(If Yes, provide copy of Agreement)*

References: WIOA Section 121, 2 CFR 200.416

**FISCAL AND PROCUREMENT OVERSIGHT**

1. Please describe the criteria used to classify an organization as a subcontractor/vendor: *(Provide a list of current WIOA subcontractor(s) vendor(s).)*

2. Does the Subrecipient monitor plans or procedures:

• Identify every subcontractor/vendor? *(Provide a list of ALL subcontractor/vendor)*

\_\_\_\_\_YES\_\_\_\_\_NO

• Require annual onsite fiscal and procurement monitoring of each subcontractor/vendor? *(Provide a detailed schedule).* \_\_\_\_\_YES\_\_\_\_\_NO



- Follow a standardized review methodology resulting in written reports that record: *(Provide documentation)*  
 –findings .....  YES  NO  
 –any needed corrective action .....  YES  NO  
 –due dates for completion of corrective action .....  YES  NO
- Require systematic follow-up to ensure corrective action implementation *(Provide documentation)*  
 YES  NO
- Identify procedures for oversight of the One-Stop delivery system *(Provide documentation)*  
 YES  NO
- Ensure compliance with nondiscrimination and Equal Employment Opportunity (EEO) *(Provide documentation)*  YES  NO
- Require that all monitoring and oversight documentation is available for review by federal and state officials  YES  NO
- Require that all monitoring records are retained for three years  YES  NO

### **Fiscal and Procurement Oversight**

Do the Subrecipient’s monitoring tools require the monitor to check for and obtain verification of the following for its subcontractors: *(Provide copy of Monitoring Guide)*

- The subcontractor is aware of, has copies of, or has access to the contract and all WIOA regulations, etc.  
 .....  YES  NO
- Policies & Procedures on cost allocation, procurement, financial management systems, etc.  
 .....  YES  NO
- Supporting documentation for expenses claimed .....  YES  NO
- Sample testing of allocation method (payroll, operating expenses, etc.)  
 .....  YES  NO
- Internal control and separation of duties .....  YES  NO
- Financial reporting done timely, accurately and on an actual basis  
 .....  YES  NO
- Program income is reported .....  YES  NO
- Advance funds held in an interest-bearing account .....  YES  NO
- Unallowable costs have not been charged .....  YES  NO
- The subrecipients are monitoring their subcontractors/vendors.....  YES  NO



- Supporting documentation for competitive procurement transactions  
..... YES \_\_\_\_\_ NO \_\_\_\_\_

If **No** to any of the above, please explain:

### **Fiscal and Procurement Oversight**

Describe the method used by the Subrecipient to ensure that the procurement process, payment process, and receipt of goods and services from vendors and OJT employers comply with applicable laws, regulations and contract terms. *(Provide documentation)*

### **SINGLE AUDIT OF SUB-RECIPIENTS**

Does the Subrecipient have a current Single Audit available for the most recent fiscal year?  
\_\_\_\_\_ YES \_\_\_\_\_ NO *(Obtain a copy)*. If **No**, explain and identify the most recent fiscal year for which a Single Audit has been completed:

What is the fiscal period of the Subrecipient? From \_\_\_\_\_ to \_\_\_\_\_.

Does the Subrecipient have written audit resolution policies and procedures? \_\_\_\_\_ YES \_\_\_\_\_ NO If **No**, explain: *(Provide documentation)*

Does the Subrecipient’s audit resolution policies and procedures consist of the following three-part process?  
*(Provide documentation)*

- Initial Determination ..... \_\_\_\_\_ YES \_\_\_\_\_ NO
- Informal Resolution Period ..... \_\_\_\_\_ YES \_\_\_\_\_ NO
- Final Determination ..... \_\_\_\_\_ YES \_\_\_\_\_ NO

Does the Subrecipient ensure that the audit resolution process is completed within six months after receipt of the Subrecipient audit report? \_\_\_\_\_ YES \_\_\_\_\_ NO

If **No**, explain:

Does the Subrecipient have an audit resolution control log?  
\_\_\_\_\_ YES \_\_\_\_\_ NO *(Provide documentation)*

If **No**, explain below how



Does the Subrecipient’s audit resolution control log contain the following:

- Date of the audit .....  YES  NO
- Period covered by the audit .....  YES  NO
- Date audit was received .....  YES  NO
- The auditor .....  YES  NO
- The questioned costs .....  YES  NO
- The administrative findings .....  YES  NO
- The date or dates of the Initial and Final Determinations .....  YES  NO

**Documentation of decisions regarding the disallowed costs and administrative findings**

Does Subrecipient have written debt collection procedures that include the following: *(Provide documentation)*

- A process for notifying subcontractor(s)/vendor(s) of the establishment of the debt, their appeal rights, the date that the debt will be considered delinquent, the sanctions (which may include, but is not limited to debarment) if the debt is not repaid and the interest rate charged, if any  YES  NO
- The requirement that three debt collection letters be sent to the subcontractor(s)/vendor(s) at no less than 30 calendar day intervals  YES  NO
- The establishment of an outstanding debt category in the Subrecipient’s accounts receivable system  YES  NO
- The Subrecipient’s standards and specifications for terminating, compromising, and litigating debts  YES  NO
- A process for maintaining a permanent record of all debt collection cases and their status  YES  NO

Did the Subrecipient establish an audit resolution file to document the disposition of reported questioned costs and corrective actions taken for all findings?  YES  NO If **No**, explain:

Does the Subrecipient’s audit resolution file(s) contain the following:

- Initial Determination and proof of receipt by the Sub-recipient .....  YES  NO
- Sign-in sheet documenting the attendants of the informal resolution...  YES  NO
- Notes related to the informal resolution .....  YES  NO
- Final Determination and proof of receipt by the Sub-recipient .....  YES  NO
- Response to the final audit report .....  YES  NO
- Final audit report .....  YES  NO

Did the Subrecipient establish local-level hearing procedures?  YES  NO If **No**, explain:

Does the Subrecipient’s local-level hearing procedures ensure the following: *(Provide documentation)*



- The hearing is recorded mechanically or by court reporter .....  YES  NO
- The auditee is given 30 calendar days after the Final Determination is issued to submit a written request for a hearing .....  YES  NO
- The auditee is provided a written notice of the date and site of the hearing at least 10 calendar days prior to the hearing .....  YES  NO
- The auditee is informed of the right to withdraw a hearing request if it is in writing.  
.....  YES  NO
- The hearing officer is required to issue a decision within 60 days of the request filing date  
.....  YES  NO
- The auditee is informed of the right to file an appeal 10 days from receipt of the local hearing officer's adverse decision to the State Review Panel .....  YES  NO
- The auditee is informed that if a local hearing is not held or the decision is not rendered timely, the auditee has 15 days from the date on which the hearing should have been held to file an appeal with the State Review Panel .....  YES  NO
- The Subrecipient will send the Compliance Review Division the complete audit for review by the State Review Panel if the auditee appeals the decision of the hearing officer to the Status  
 YES  NO

### **INCIDENT REPORTING**

1. Does the Subrecipient have written internal management procedures related to preventing and detecting fraud, waste, abuse, or other criminal activity?  YES  NO *(Provide documentation)*  
If **No**, explain how the Subrecipient ensures allegations are recognized, detected and promptly reported to the OCWDB.
2. Describe how the Subrecipient is aware of their responsibilities related to Incident Reporting of criminal activity and noncriminal complaints.

### **SECTION 2 – PROCUREMENT POLICY**

Obtain copy of the current procurement Policy with this monitoring guide.

Identify the Subrecipient's small purchase limit:



Does the Subrecipient’s written procurement policies and procedures contain the following requirements:  
(Provide documentation/copy of policy)

- A process for resolving disputes, claims, and protests of award .....  YES  NO
- A code of conduct for employees conducting procurements, including criteria regarding conflict of interest .....  YES  NO
  - Avoiding purchasing unnecessary items or duplicative items .....  YES  NO
  - Analysis of lease vs. purchase options to determine the most “economical and practical” procurement .....  YES  NO
  - Different types of procurement including when and how to use them .....  YES  NO
  - Requirements for a price or cost analysis. **(Note: Must be performed for every type of procurement, including contract modifications)** .....  YES  NO
  - Limited conditions under which sole source procurement may occur.....  YES  NO

**METHODS OF PROCUREMENT**

Does the Subrecipient utilize the small purchase method of procurement (Reference Information Notice No. 17-OCDB-20 for further information regarding small purchase procurement method)?  
 YES  NO

If **yes**, please describe the Subrecipient’s small purchase policies and procedures: (Provide documentation of policy, i.e., county or city)

Was the small purchase method of procurement used during the period July XXXX through June XXXX?  
 YES  NO

Does the Subrecipient utilize the noncompetitive proposal/sole source method of procurement?  
 YES  NO

If **Yes**, please describe the Subrecipient’s noncompetitive proposal/sole source policies and procedures: (Provide documentation / copy of policy / example)

Was the noncompetitive proposal/sole source method of procurement used during the period July XXXX through June XXXX?  YES  NO

Does the Subrecipient utilize the sealed bid/invitation for bid method of procurement?  
 YES  NO

If **Yes**, please describe the Subrecipient sealed bid/invitation for bid policies and procedures:

Was the sealed bid/invitation for bid method of procurement used during the period July XXXX through June



XXXX? \_\_\_\_\_ YES \_\_\_\_\_ NO

**Procurement for Required Youth Elements**

WIOA requires the following fourteen (14) program elements [WIOA § 129 (c)(2) and 20 CFR § 681.460 to be available to enrolled youth participants. The services listed must be accessible to participants and may be offered in-house, subcontracted, or through collaborative partnerships utilizing community resources

1. Tutoring, study skills, and dropout prevention strategies
2. Alternative secondary school offerings
3. Summer employment opportunities linked to academic and occupational learning
4. Paid and unpaid work experience
5. Occupational skill training
6. Leadership development
7. Supportive services
8. Adult mentoring for at least 12 months
9. Comprehensive guidance and counseling
10. Follow-up activities for no less than 12 months after completion of participation
11. Financial literacy education;
12. Entrepreneurial skills training;
13. Services that provide labor market and employment information about in-demand industry sectors or occupations available in the local area, such as career awareness, career counseling, and career exploration services; and
14. Activities that help youth prepare for and transition to postsecondary education and training.

Does the Subrecipient utilize the competitive proposal/request for proposal (RFP) method of procurement for the required youth program elements above? \_\_\_\_\_ YES \_\_\_\_\_ NO If **Yes**, please describe the Subrecipient’s competitive proposal/RFP policies and procedures: *(Provide documentation / copy of policy / example)*

Was the competitive proposal/RFP method of procurement used during the period July XXXX through June XXXX? \_\_\_\_\_ YES \_\_\_\_\_ NO

**SUBCONTRACT SUBAGREEMENTS**

Are any subcontracts or sub agreements currently in effect (or will be in effect) during the year July XXXX through June XXXX that are related to WIOA? \_\_\_\_\_ YES \_\_\_\_\_ NO

If **Yes**, please list the contracts signed, the contract dates, and the method of procurement used (attach additional pages as necessary):

Does the Subrecipient require Certificates of Debarment/Suspension and Lobbying from their subcontractors? *(obtain copies)* \_\_\_\_\_ YES \_\_\_\_\_ NO If **No**, explain:



## CERTIFICATIONS

Monitoring must include verification of a signed copy of the conflict of interest document on file for all Subrecipient’s board members. No person preparing or assisting in the preparation of specifications, plans or scopes of work shall receive any direct benefit from the utilization of those specifications, plans or scopes of work.

- Obtain a signed copy of the conflict of interest document signed by each Subrecipient’s board member.
- Monitoring must include verification of lobbying and debarment certification for the Subrecipient.
  - Obtain a signed copy of the *Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions* signed by Subrecipient’s board member.
  - Obtain Certification Regarding Lobbying - Certification for Contracts, Grants, Loans, and Cooperative Agreements signed by each Subrecipient board member.

## PROPERTY MANAGEMENT

1. Does the Subrecipient maintain equipment records (*equipment means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit*) that include the following data? (*Provide documentation / example*)

- Description ..... \_\_\_\_\_ YES \_\_\_\_\_ NO
- Serial number ..... \_\_\_\_\_ YES \_\_\_\_\_ NO
- Funding Source ..... \_\_\_\_\_ YES \_\_\_\_\_ NO
- Title Holder ..... \_\_\_\_\_ YES \_\_\_\_\_ NO
- Percentage of Federal Participation ..... \_\_\_\_\_ YES \_\_\_\_\_ NO
- Acquisition Date ..... \_\_\_\_\_ YES \_\_\_\_\_ NO
- Acquisition Cost ..... \_\_\_\_\_ YES \_\_\_\_\_ NO
- Location of Equipment ..... \_\_\_\_\_ YES \_\_\_\_\_ NO
- Use and Condition of Equipment ..... \_\_\_\_\_ YES \_\_\_\_\_ NO
- Ultimate Disposition Data ..... \_\_\_\_\_ YES \_\_\_\_\_ NO



2. Is a physical inventory of equipment conducted and are the results reconciled with the property records at least once every two years? *(Provide documentation)* \_\_\_\_\_YES\_\_\_\_\_NO
  
3. Does the Subrecipient have maintenance policies and procedures in place to keep the equipment in good condition? \_\_\_\_\_YES\_\_\_\_\_NO If **Yes**, please describe the Subrecipient's policies and procedures regarding equipment maintenance: *(Provide documentation / copy of policy)*
  
4. Does the Subrecipient have a control system in place to safeguard equipment from loss, damage, or theft? \_\_\_\_\_YES\_\_\_\_\_NO If **Yes**, please describe the Subrecipient's policies and procedures regarding equipment safeguards: *(Provide documentation / copy of policy)*

### Property Management

Does the Local Workforce Development Agency (LWDA) have a property disposition policy consistent with Federal regulations?

\_\_\_\_\_YES\_\_\_\_\_NO If **Yes**, please describe the LWDA's property disposition policies and procedures: *(Provide documentation / copy of policy)*

Did the Subrecipient purchase any equipment during the year July XXXX – June XXXX that required prior approval? \_\_\_\_\_YES\_\_\_\_\_NO

If **Yes**, please describe below the equipment purchased and provide a copy of the approval letter from the OCWDB:

Does the Subrecipient maintain a system that provides effective control and accountability for real and personal property and other assets, that adequately safeguards all property and assures that it is used solely for authorized purposes? \_\_\_\_\_YES\_\_\_\_\_NO If **Yes**, describe the system used: *(Provide documentation or copy of control policy)*

Did the Subrecipient provide an updated list to the OCWDB of all equipment greater than \$2,000 per item by August 1st of current program year? \_\_\_\_\_YES\_\_\_\_\_NO If **Yes**, provide a copy of the contractor's equipment schedule. If **No**, explain:

