|  |  |
| --- | --- |
| WDA:  [Enter WDA Address] | Date(s) of Review: |
| DET Reviewer(s): Babucarr Kebbeh & Sumanpreet Ghuman, | |
| Staff Interviewed: | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **AREA** | **FINDING** | **AREA OF CONCERN** | **PROMISING PRACTICE** | **TECHNICAL ASSISTANCE PROVIDED** |
| [**Budget**](#_BUDGET) | | | | |
| [Budget Controls & Budget Modifications](#_BUDGET_CONTROLS_&) |  |  |  |  |
| [**Property Management**](#_PROPERTY_MANAGEMENT) | | | | |
| [Insurance Coverage](#_INSURANCE_COVERAGE) |  |  |  |  |
| [Real Property](#_REAL_PROPERTY_(WDA) |  |  |  |  |
| [Equipment](#_EQUIPMENT) |  |  |  |  |
| [Rental or leasing Costs for Property](#_RENTAL_OR_LEASING) |  |  |  |  |
| [Supplies](#_SUPPLIES) |  |  |  |  |
| [Intangible Assets](#_INTANGIBLE_ASSETS) |  |  |  |  |
| [**Procurement and Contract Administration**](#_PROCUREMENT_&_CONTRACT) | | | | |
| [Procurement Standards](#_PROCUREMENT_STANDARDS) |  |  |  |  |
| [Competition](#_COMPETITION) |  |  |  |  |
| [Methods of Procurement](#_METHODS_OF_PROCUREMENT) |  |  |  |  |
| [Cost or Price Analysis](#_COST_OR_PRICE) |  |  |  |  |
| [Contract Administration](#_CONTRACT_ADMINSTRATION) |  |  |  |  |
| [**Subrecipient Management and Oversight**](#_SUBRECIEPIENT_MANAGEMENT_&) | | | | |
| [Pre-Award Risk Assessment](#_PREAWARD_RISK_ANALYSIS) |  |  |  |  |
| [Post Subaward Responsibilities](#_POST_SUBAWARD_RESPONSIBILITES) |  |  |  |  |
| [Subrecipient Monitoring](#_SUBRECIPIENT_MONITORING) |  |  |  |  |
| [**Records Management**](#_RECORDS_MANAGEMENT) | | | | |
| [Record Retention & Accessibility](#_RECORDS_RETENTION) |  |  |  |  |
| [Protected Personally Identifiable Information](#_PROTECTED_PERSONALLY_IDENTIFIABLE) |  |  |  |  |
| [**Personnel**](#_PERSONNEL) | | | | |
| [Personnel Policy and Procedures](#_PERSONNEL_POLICY_AND) |  |  |  |  |
| [Staff Positions, Salaries & Org Charts](#_STAFF_POSITIONS,_SALARIES) |  |  |  |  |
| [Time Cards & Travel Expense Reports](#_TIME_CARDS_&) |  |  |  |  |
| [**Internal Controls**](#_INTERNAL_CONTROLS) |  |  |  |  |
| [**Written policies and procedures**](#_WRITTEN_POLICIES_AND) |  |  |  |  |
| [**Accounting System & Cash Management**](#_ACCOUNTING_SYSTEM_&) |  |  |  |  |
| [**Financial Reporting**](#_FINANCIAL_REPORTING) |  |  |  |  |
| [**Allowable Costs and Cost Classification**](#_ALLOWABLE_COSTS_AND) | | | | |
| [Voucher Testing](#_VOUCHER_TESTING) |  |  |  |  |
| [**Cost Allocation/Indirect Cost Plan**](#_COST_ALLOCATION/INDIRECT_COST) |  |  |  |  |
| [**Audits and Audit Resolutions**](#_AUDITS_AND_AUDIT) |  |  |  |  |

* **Complete the Monitoring Review Guide in green font, Only use red font when to document an issue/problem/noncompliance.**

# BUDGET

## BUDGET CONTROLS & MODIFICATIONS

[29 CFR 97.20(b)(4); 29 CFR 95.21(b)(4)]

[2 CFR 200.302(b)(5); 2 CFR 200.308]

1. Has the Program year budget been approved by the Non-Federal entity? Is the budget developed per Program Year per WIOA funding stream (DLW, Adult, Youth, Admin)? Obtain the Non-Federal entity minutes documenting approval.
2. How often does the staff compare actual costs to budgeted costs to ensure that the program operates within the budget? How often are the budget to actuals presented to the board? Obtain the Non-Federal entity minutes documenting review and the reports presented. Financial Management System Must compare budget to actual result.
3. How are budget modification communicated to the board and the staff?
4. Compare what is budgeted to actuals expenditures using Tool E: Budget Comparison Tool.

Tool E: Budget Comparison Tool

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Personal | Fringe | Travel | Equipment | Suppliers | Contractual | Other | Direct Charges | Indirect Charges | Total |
| PY\_\_\_ |  |  |  |  |  |  |  |  |  |  |
| % Budgeted |  |  |  |  |  |  |  |  |  |  |
| % Expended |  |  |  |  |  |  |  |  |  |  |
| Variance |  |  |  |  |  |  |  |  |  |  |

# PROPERTY MANAGEMENT

## INSURANCE COVERAGE

[2 CFR 200.310]

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

## REAL PROPERTY (WDA 2 ONLY)

[2 CFR 200.311, 20 CFR 683.240, 20 CFR 688.550]

1. Does the grant recipient have policies and procedures in place when acquiring, managing and disposing of real property purchased with grant funds?
2. For any real property that was purchased with grant funds, was prior approval received prior to the acquisition or disposition of that property?
3. If the building is fully depreciated, only operations and maintenance cost charges are allowed. [UG 200.449(c) (8) Interest, UG 200.436(d) (4) Depreciation].
4. What is the percentage of Equity DOL holds in the property?

## EQUIPMENT

\*Equipment is defined as asset purchases in excess of $5,000

[2 CFR 200.33, 2 CFR 200.313, 2 CFR 200.436]

1. For equipment that was purchased with grant funds, was prior approval received prior to the acquisition or disposition of that equipment?
2. Does the grant recipient have policies and procedures governing the acquisition, management, and disposition of equipment?
3. Are equipment records maintained with the required data elements?
   1. ❑ Description of equipment
   2. ❑ Serial number
   3. ❑ Acquisition cost and date
   4. ❑ Percentage of Federal participation in the purchase
   5. ❑ Titleholder
   6. ❑ Current use, condition, and location
   7. ❑ Disposition information
   8. ❑ Federal Award Identification Number (FAIN)
   9. ❑ Sales price and date of disposition
4. Is a physical inventory of the equipment done and is it reconciled with the property records at least once every two years?
5. If equipment is depreciated, is straight-line depreciation method used? Did charges for depreciation end when the equipment is fully depreciated? Is the life expectancy of WIOA equipment reasonably determined? $5,000 capitalization level
6. Does the grant recipient have a system in place for disposition of equipment? Was any equipment disposed of during the review period? Were instructions obtained if required by the grant terms and conditions?
7. Can the grant recipient attest or confirm that it has made efforts where required or applicable to Buy American products or goods?

## RENTAL OR LEASING COSTS FOR PROPERTY

[2 CFR 200.465]

1. Do the agreements have a schedule of payments and it is signed by a grant signatory that is authorized to sign on behalf of the organization.
2. If equipment was purchased or leased, did the grant recipient make a determination of the best option (leased or purchased)? Was a cost and/or price analysis performed to determine if the grant recipient selected the best option?
3. For “sale and leaseback” arrangements, did the grant recipient sell ETA-owned property and use grant funds to lease it back? If so, this sale and leaseback transaction is considered unallowable to ETA grant funds.
4. Did the grant recipient sell property that was purchased with non-Federal funds and lease it back using grant funds up to the amount that would have been allowed had the grant recipient continued to own the property*? \*(Grantee is allowed to charge the lesser of the two to the federal grant: What dep would have been had you still owned the building + maintenance + tax + insurance vs. Lease Cost now.)*
5. Are rental agreements reviewed periodically to determine if circumstances have changed and other options are available?

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

*Note: If rental costs more than if the grant recipient would have purchased the personal property on the date the lease of agreement was executed, then the overage would be unallowable to ETA grant funds [2 CFR 200.465(c)(5)].*

1. Look at the lease terms. Are any lease terms beyond the grant’s period of performance? If so, does the grant recipient have plans to cover the lease’s rental payments with non-grant dollars?

## SUPPLIES

[2 CFR 200.314]

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

## INTANGIBLE ASSETS

[2 CFR 200.315, 2 CFR 2900.13, & GRANT TERMS AND CONDITIONS]

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

If yes:

1. Does the grant recipient have policies and procedures covering intangible property? If not, how do they ensure compliance?
2. Are there documents proving that intangible property developed under a competitive grant are licensed under a Creative Commons Attribution license?
3. If grant funds were used to pay a contractor to produce or acquire intangible property for grant use, does the agreement ensure that the grant recipient retains the right to continued use?
4. When no longer needed for the originally authorized purpose, and if required by the terms and conditions of the Federal award, did the grant recipient receive disposition instructions from DOL when disposing of the intangible property?

# PROCUREMENT & CONTRACT ADMINSTRATION

## PROCUREMENT STANDARDS

[2 CFR 200.113, 2 CFR 200.317-326]

[[Simplified Acquisition Threshold Changes](https://www.doleta.gov/grants/pdf/Grantee_Letter-Micropurchase_and_Simplified_Acqusition.pdf)]

1. Does the grant recipient conduct procurement activities in a manner that promotes full and open competition and is not restrictive of competition? NOTE: WIOA 121(d)(a) requires that the OSO be a designated in competitive process every 4 years.
2. When was the OSO procurement conducted? Was a Cost price analysis conducted and a minimum dollar amount of $3,500 included in the RFP for OSO duties as required by the DWD-DET? [DWD guidance issued 5-10-18]

1. When was the procurement policy last updated? Is there a separate procurement/purchasing policy on the following?

❑ Micro-purchases (>$10,000)

❑ Small purchases (>$250,000)

❑ Sealed bids/ Formal advertising

❑ Procurement by competitive proposals (<$250,000)

❑ Noncompetitive purchases (sole source)

❑ Professional and/or qualifications-based services

1. Does the grant recipient maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders?
2. Does the grant recipient maintain a written code of conduct covering conflicts of interest and governing the actions of its employees or Board members engaged in the selection, award, and administration of contracts?
3. Does it include signed and written “Conflict of Interest” statements?
4. Is the grant recipient ensuring that applicants or entities submitting bids and/or proposals are disclosing, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award?
5. Are contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals excluded from competing for such procurements?
6. Does the grant recipient take affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible?
7. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, does the grant recipient (and its subrecipients) clearly state the following?

a. The percentage of the total costs of the program or project which will be financed with Federal money;

b. The dollar amount of Federal funds for the project or program; and

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

## COMPETITION

[2 CFR 200.319]

1. What is the grant’s recipient’s process for procurement activities?
2. Does the grant recipient ensure that it conducts procurement activities in a manner to ensure full and open competition and is not restrictive of competition as listed on 2 CFR 200.319(a)(1-7):

❑ Placing unreasonable requirements

❑ Requiring unnecessary experience and excessive bonding

❑ Noncompetitive pricing practices

❑ Noncompetitive contracts to consultants

❑ Organizational conflicts of interest

❑ Specifying only a “brand name” product instead of allowing “an equal” product to be offered

❑ Any arbitrary action on the procurement process

1. Does the grant recipient have noncompetitive procurement (sole source) procedures? For non-State entities, do these procedures conform to the Uniform Guidance at 2 CFR 200.320(f)?
2. For noncompetitive procurement (sole source), are noncompetitive procurement determinations appropriately documented? Does one or more of the circumstances outlined in 2 CFR 200.320(f)(1-4) apply?

❑ The item is available only from a single source

❑ The public exigency or emergency for the requirement does not permit a delay resulting from competitive solicitation

❑ ETA or the PTE expressly authorizes noncompetitive proposals in response to a written request from the grant recipient

❑ After solicitation of a number of sources, competition is determined inadequate

## METHODS OF PROCUREMENT

[2 CFR 200.320]

1. For the purchase of goods and/or services, did the grant recipient appropriately use one of the procurement methods outlined above?
2. Does the procurement history file demonstrate that it used one of the procurement methods outlined above? These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
3. Does the file contain enough evidence to support full and open competition?

## COST OR PRICE ANALYSIS

[2 CFR 200.323] [DWD Guidance issued 5-10-18]

1. From the selection of contracts obtained in the previous indicator, did the grant recipient use a cost/price analysis for contracts in excess of the Simplified Acquisition Threshold? How does the grant recipient use cost/price analysis?
2. Is the determination appropriate to the nature of the agreement (e.g., fixed-price, performance-based, cost reimbursement, etc.)?
3. Are the amounts paid consistent with the terms of the agreement?
4. Does the grant recipient negotiate profit as a separate element of the price for each contract?
5. For performance-based contracts, are the levels of performance reasonable for the level of payment? Are performance levels specified and negotiated in the contract met before payment is made?
6. Is profit recognized in whole dollars (not as a percentage of cost) and reasonable in terms of the services rendered or goods provided?
7. Did the grant recipient take into account the following factors to determine the amount of profit to be earned under the contract? Risk factors include:

 Complexity of work

 Risk borne by contractor

 Contractor’s investment

 Amount of subcontracting

 Record of past performance

 Industry profit rates in the geographic area for similar work

## CONTRACT ADMINSTRATION

[2 CFR 200.326] [ 2 CFR 200.331]

1. Does the grant recipient make available upon request, for the Federal awarding agency or passthrough entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates?
2. Are the individual (s) responsible for signing agreement-authorized individuals to properly enter into contracts on behalf of the grant recipient? Are the signatory (ies) authorized to sign on behalf of the organization?
3. Does the grant recipient have a boilerplate contract or subrecipient format?
4. Are the 13 required elements listed under 2 CFR 200.331 included?
5. Are the required provisions included for contracts sampled per threshold level? Refer to [Resource K: Background for Contract Provisions](file:///S:\DET\BWT\Monitoring&Compliance\Governance_Program\Fiscal\Monitoring%20Work%20Papers_EVT+7%20years_Transfer\Other\Working%20Paper%20Template\Working%20Papers\Resources\Res%20K%20Contract%20Provisions.pdf)
6. Contracts must identify what happens to records and equipment once the grant ends or is terminated.

# SUBRECIEPIENT MANAGEMENT & OVERSIGHT

## PREAWARD RISK ANALYSIS

[2 CFR 200.205, 2 CFR 200.207, 2 CFR 200.213, 2 CFR 200.318, 2 CFR 200.331, 2CFR 2900.3, and TEGL 2-12]

1. Does the grant recipient, acting as a PTE, evaluates each subrecipient’s risk of compliance with Federal statutes, regulations, and the terms and conditions of the subaward?
2. Does the PTE have written procedures and evaluation factors for selecting subrecipients?
3. Does the risk-based approach include?

 Financial stability

 Quality of management systems and ability to meet management standards

* 1.  History of performance
  2.  Ability to effectively implement statutory, regulatory, and other requirements

 Findings and questioned costs from past monitoring reports

1. As a result of the review of risk posed by potential subrecipients, did the PTE place any specific awards conditions as described in 2 CFR 200.207?
2. Does the PTE have procedures in place to check if the subawardee/subrecipient is not debarred or a suspended party prior to making a subaward?
3. Did the PTE check SAM.gov to ensure that contractors and/or subrecipients are not disbarred or suspended from receiving Federal funds?

## POST SUBAWARD RESPONSIBILITES

[2 CFR 200.331, 2 CFR 200.333, and 2 CFR 200.338]

1. Are subawards clearly identified as subawards? If the PTE clearly identified the subaward as a subrecipient, then it must contain all required items of information: Federal Award Identification

Subrecipient Name (which must match the name associated with its unique entity identifier)

Subrecipient’s Unique Entity Identifier

Federal Award Identification Number (FAIN)

Federal award date of award to the recipient by the Federal agency

Subaward period of performance start and end date

Amount of federal funds obligated by the subaward

Total amount of federal funds obligated to the subrecipient by the pass-through entity Total amount of the Federal award committed to the subrecipient by the pass-through entity

Federal award project description

Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity

Catalog of Federal Domestic Assistance (CFDA) number and name; the PTE must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement

Indirect cost rate for the Federal award (including if the de minimis rate is charged)

1. Does the PTE have policies and procedures surrounding noncompliance for its subrecipients that

includes actions as outlined in 2 CFR 200.338(a-f):

Temporarily withhold cash payments pending correction of the deficiency by the subrecipient or

more severe action by the PTE

Disallow all or part of the cost of the activity or action not in compliance

Wholly or partly suspend or terminate the subaward

Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and DOL

regulations

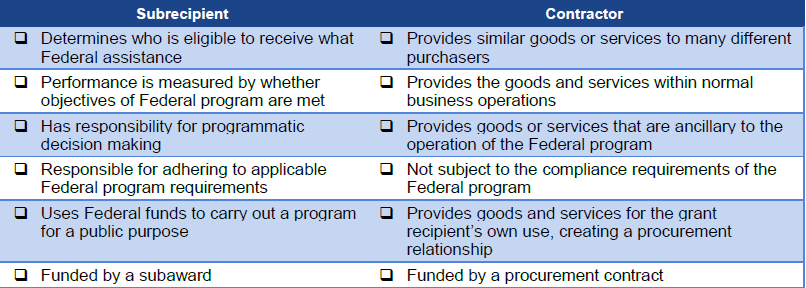
Withhold further subawards for the project or program be legally available

1. If the PTE decided to terminate the subaward early, were the actions outlined in 2 CFR 200.339 and 200.340 followed?

## SUBRECIPIENT MONITORING

[2 CFR 200.331, 20 CFR 683.410(b)]

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



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

# RECORDS MANAGEMENT

## RECORDS RETENTION

[2CFR 200.333, 2 CFR 200.334 and 2 CFR 2900.18]

\*Record Retention (3 year max) and Record Relocation are allowable expenses.

1. Has the grant recipient properly identified all financial records, supporting documents, statistical records, and all other records pertinent to the Federal award that must be retained?
2. Does the grant recipient have record retention policies that meet the requirements of applicable Federal laws and regulations? DOL requires records to be retained for 3 years, is the grantee retaining for longer period? If so, DOL cannot pay for the cost associated with maintaining and storing the records after 3 years.
3. Has a record retention schedule been established for the grant records with appropriate dates when records are no longer subject to retention?
4. Does the grant recipient have a designated staff person with custodian of record duties?
5. If records are in an electronic medium, is the medium likely to be outdated in three years and not accessible?
6. Does the record retention requirement address circumstances under which custody of the records should be transferred to the grant recipient? *We will also ask this question again during closeout.*

## PROTECTED PERSONALLY IDENTIFIABLE INFORMATION

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

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

# PERSONNEL

## PERSONNEL POLICY AND PROCEDURES

[ 2CFR 200.3409(a)(1)-(2), 2 CFR 200.427]

1. Are the policies and practices reasonable for the services rendered and do they conform to the established written policy of the grant recipient consistently applied to both Federal and non-Federal activities?
2. Do policies and practices appear to be reasonable and in compliance with applicable local and Federal laws and regulations governing employment?
3. Evaluate leave time to see if its appropriately reflected in the account? (If vacation/sick time does not expire then there is a liability accrued on the books)
4. Review the grant’s insurance policy. Are appropriate grant staff properly insured and bonded? If not, is the grant recipient conducting background or qualification checks (e.g., past employment records, criminal activity)?

## STAFF POSITIONS, SALARIES & ORG CHARTS

[2 CFR 200.113, 2 CFR 200.427, TEGL 2-12, 20 CFR 683.620, 234]

1. Are salaries and fringe benefit reasonable to the extent that they are comparable to those paid for similar work in the same labor market?
2. Are bonuses, raises, leave practices, etc. covered in written personnel policies?
3. Select a sample from the top positions within the organization (and the Board, if applicable), and validate the compensation packages for each. Is compensation for top positions reasonable/in-line with local labor market information?
4. Is there sufficient documentation to support the salaries and fringe benefits charged to this grant/project? See Objective 3.g: Cost Allocation/ Indirect Costs.
5. For funds appropriated under ETA appropriations only, are salaries and bonuses paid from grant funds in compliance with the salary and bonus limitation of the Executive Level II on the Federal Executive pay scale?
6. Is the grant’s organization chart up to date? Does the organizational chart present a staffing structure that provides capacity for the key functions? Are there any gaps evident in the grant recipient’s management and staffing structure?
7. Is incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc.? How often are wage increases issued? What are they based on- cost of living adjustment? Performance review? [UG 200.430 (f) Incentive Compensation. Compensation UG 200.430].
8. Was there an agreement between the Non-Federal entity and the employee before the services were rendered Employment at Will or do employees sign contracts at time of hire [UG 200.430 (f) Incentive Compensation]? Any appointees?

## TIME CARDS & TRAVEL EXPENSE REPORTS

[2 CFR 200.430(B), PUBLIC LAWS 109]

1. Is time charging reflective of the Job Descriptions? UG 200.4 Definitions
2. Staff and related costs should be classified against the appropriate cost category or program activity based on the job duties being performed. If staff members perform duties related to more than one category or activity, then the costs should be allocated based on actual time worked or another equitable method.
3. Were all travel costs incurred in accordance with UG 200.474 Travel costs? Review travel expense reports for employees. Does the Non-Federal entity use the IRS mileage rate? Does the Non-federal entity have a per-diem established for meals? Does the non-federal entity require itemized receipts if no per-diem rate is set? Does the travel policy include a statement that restricts alcohol purchase?
4. Do board members get reimbursed for any travel expenses? Mileage? Per-diem per meeting?

1. Were timesheets prepared timely and signed by both employee & supervisor? If this process is done electronically, does it allow for an approval process? Does the approval process follow the Non-Federal entity policy/procedure?
2. Is 100%-time reporting required for all staff? Or is a survey system in place? If a survey, is it updated regularly? Is the period sampled reflective of overall program activity? Does policy meet practice, signoff done per policy?
3. Track a payroll to the general ledger accounts to verify that the payroll paid is what is being charged to grants. Match GL with time sheets.

# INTERNAL CONTROLS

1. Is access to the financial and performance reporting system limited to appropriate personnel?
2. Are passwords used and is access to the systems reviewed on a timely basis?
3. Is there proper segregation of duties between individual(s) that complete the financial report and supervisor(s) that review the data entered (e.g., separate PINs and passwords)?
4. What training is provided to staff to ensure compliance with regulations and laws?
5. Is there proper segregation of duties surrounding the asset management process? Verify that not one individual is responsible for the authorization, receipt, disbursement, access, and reconciliation of these assets? Person doing the drawdowns for the cash should be different that the person approving the draws.
6. How does the grant recipient safeguard physical and intangible assets? Who has access to the blank check stash? Where is it stored? Under lock at all times?
7. Does the grant recipient perform an inventory of assets including bus tokens, checks, credit cards, etc.? How are these items safeguarded to prevent unauthorized use? How are these items tracked to ensure proper usage? \* *There should be a log and each individual card/token should be tracked*

# WRITTEN POLICIES AND PROCEDURES

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

Payments - 2 CFR 200.302(b)(6) and 2 CFR 200.30

Allowable Costs - 2 CFR 200.302(b)(7)128

Procurement - 2 CFR 200.318

Competition - 2 CFR 200.319

Method for Evaluation and Selection - 2 CFR 200.320

Compensation—Personal Services - 2 CFR 200.430

Compensation—Fringe Benefits - 2 CFR 200.431

Employee Relocation Costs - 2 CFR 200.464

Travel Costs - 2 CFR 200.474.

1. Other written policies and procedures that are part of a portfolio of sound grant management practices include the following:

Chart of Accounts and accounting system

Budget controls and modifications

Grant revenues/receivables

Payments and accounts payables (in addition to above), including approval process

Audits and audit resolution

Financial reporting

Program or performance reporting

Cash management and bank reconciliations

Human resources—hiring and selection (in addition to the above)

Program and interest income

Complaints and grievances

Incident reporting

Participant and program services

Monitoring

Property/equipment management

Record retention

Match and leveraged resources

Board policy and procedures

Standards of conduct and conflict of interest

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

1. Per Memo M-18-18 the threshold for micro-purchase has increased from $3,500 to $10,000 and simplified acquisition threshold has increased from $150,000 to $250,000. Have the policies been updated?

# ACCOUNTING SYSTEM & CASH MANAGEMENT

[2 CFR 200.305(b), 2 CFR 2900.7]

1. Does the grant recipient have policies and procedures in place to minimize cash on hand? Are there sufficient internal controls in place to ensure proper segregation of duties for the following functions: recording, custodian, authorizing, and reconciliation
2. What is the mechanism or tool used by the grant recipient to determine the amount of cash to draw down? How often is it performed and reviewed?
3. Review a report from PMS and request supporting documentation of the cash drawn. Were the cash drawdowns **approved and reviewed by an appropriate manager**? Were they used for immediate use?

*Compare the WIOA drawdowns for one month to WIOA expenditures for the same month. Ask the organization for a summary of their drawdowns and expenditures for one month. Keep in mind that drawdowns should lag reported accrued expenditures. If the grantee has a subrecipient, request evidence that the grantee is monitoring the cash management activities of their subrecipients. [UG 200.415 Certifications].*

1. Is there a reconciliation performed between the cash drawdowns and the expenditures? Is it performed on a frequent basis and reviewed?
2. Does the grant recipient have policies in place for payment of non-sufficient funds, overdraft fees, and other penalties which cannot be paid using Federal funds?
3. Review the bank reconciliations for two consecutive months to determine controls. Who prepares the Bank Recs? Who reviews the Bank Recs? [UG 200.302(b)(4) Financial management]. Does the cash amount on the bank rec match the cash balance stated on the balance sheet for the month?
   1. Review any outstanding check. Does the entity void outstanding checks after a reasonable period? Is the entity following their policy?

* 1. Check the check number sequence, are there any checks out of sequence.

1. Does the grant recipient have policies and procedures in place to identify and recapture improper payments? (ex. Duplicate payments, payments to an eligible party, payment for an ineligible goods/service or payment for a good or service not received). If not, what process does the grant recipient have in place to identify and recapture improper payments?
   1. If applicable, does the PTE have improper payment procedures in place for its subrecipients and ensure that its subrecipients also have policies and procedures in place for improper payments?
   2. The costs incurred by a grant recipient to recover improper payments are allowable as either direct or indirect costs, as appropriate. Is the grant recipient consistent in the treatment of the Federal dollars used to recover improper payments?

# FINANCIAL REPORTING

## FSR

[UG 200.307(e)(1), UG 200.302(b)(3), UG 200.331(d)(1), UG 200.306(b), WIOA 20 CFR 683.205]

1. Are monthly expenditure reports being submitted on a timely basis? Check the FSR Delinquency Tracker on Smartsheet.
2. Review the COMET Monthly Financial Status Report (FSR).
   1. Are leverage funds are being reported? What is the methodology to calculate leverage? Is it documented in policy or procedures?
   2. Does the entity report unliquidated obligations correctly? Unliquidated obligations are not to be reported for in-house administrative costs. Are unliquidated obligations supported by signed contracts? Are they liquidated as contract payments are made? Check to make sure that the unliquidated obligations are handled correctly for leases, and obligations are not included that go beyond what the escape clause allows.
   3. Are all memo codes being reported? Is the entity on track to achieve their goals/memo/requirements?
   4. If WIOA match grants exist, are there policies and procedures in place to meet match requirements?
   5. Are the 35% training funds being reported for Adult, Dislocated Worker, and Rapid Response programs in accordance with the Admin Memo 16-08.
   6. Are admin activities being improperly classified as program activities? Review a transaction listing for WIOA admin fund for 2 nonconsecutive months. Review Trial balance for Adult, DLW, and Youth.
   7. Compute the % of funds being spent on career services vs. training services. Vs supportive services for both Adult and DLW funds. Is it reasonable?
   8. Are the FSR's accurate? Pull a GL report for a WIOA fund and compare total expenditures year to date with the FSR year to date data. Trace amounts on the Financial Status Report (FSR), through the accrual reporting spreadsheet, to the trial balance for the period. Document that records contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and are supported by source documentation.

* Do the reported amounts tie to the trial balance for Adult, DLW, Youth and Admin, plus accruals for the period reported? Are accruals determined appropriately? What evidence is used to support accruals? Review financial statements to review any accruals.
* Did the Non-Federal entity prepare reports that accurately reflect the financial results of its operation based on the correct financial definitions? Review audit for modified or unmodified opinion.

1. Program Income: Interview Question: Does the agency generate program income, and is it reported timely? Are Program Income Expenses reported the same month as Program Income? Does the Non-Federal entity and its sub recipients use cash generated by program activities before the grant expires? Does the policy describe how Program Income funds will be treated?

* Review Job Fair account details to determine that all revenue and expenses are flowing through the account.

# ALLOWABLE COSTS AND COST CLASSIFICATION

[2 CFR 200.302(b)(7) and 2 CFR 200.403]

## VOUCHER TESTING

[2 CFR 200.403]

1. Select sample of vouchers from the WIOA general ledger or check register and send the selected sample to the WDB to have documentation upon arrival. Lookup the selected participants in ASSET to verify that they were enrolled in WIOA.

30 training (tuition)

30 supportive service payments (books, student fees, exam fees, transportation, daycare, needs related, etc.)

30 rapid response payments (applicable only if non-federal entity has additional assistance or dislocation grants)

5 cost allocation expenses (rent, supplies, utilities)

5 sub award payments

*Complete the work paper A-14 Voucher Testing. Follow up on any variances.*

1. From the worksheet completed did all the expenses reviewed meet the UG 200.403 Factors affecting allowability of costs?
2. Did the WDB pay any sales tax on the vouchers reviewed? (WDBs are 501 C which makes them tax exempt; this is not a finding or area of concern).
3. Review credit card statements for three months: March, April and May 2018

If the credit card statements show accumulation of points, how are the points redeemed?

Are there any late fees or interest on the credit cards?

Is the WDB using its tax-exempt status?

Are meal receipts itemized?

1. Were any entertainment costs found in the sample selected pursuant to UG 200.438 Collection of improper payments?

# COST ALLOCATION/INDIRECT COST PLAN

[2 CFR 200.414(f), 2 CFR 200.411]

1. Does the grant recipient have written policies and procedures for distributing program costs, staff time, and general administrative costs among funding streams, programs, etc.?
2. Does the grant recipient’s policies and procedures follow the Cost Principles? How does it identify the circumstance when costs are allowable, allowable with condition, and unallowable?
3. Does the grant recipient have an approved CAP? Is it the authorized party to that CAP?
   1. Is the CAP reviewed on an annual basis and updated as needed?
4. Does the grant recipient allocate shared costs in accordance with its cost allocation plan? What is the basis for the cost allocation plan currently being used?
5. If a cost pool is used, it is reduced to zero monthly?
6. Are all the funds used in the cost allocation? Are all funds active?
7. Does the Grantee have a Negotiated Indirect Cost Rate Agreement (NICRA)?
   1. If so, review the rate and test for accuracy

1. Does the Grantee use the De Minimis Rate?
   1. If so, did the grant recipient receive prior approval from the Grant Officer prior to applying the de minimis rate to the MTDC and recovering those funds from ETA?
   2. Did the grant recipient correctly calculate the MTDC? Did the grant recipient correctly apply ten percent to the MTDC base?

# AUDITS AND AUDIT RESOLUTIONS

[2 CFR 200.501, 2 CFR 2900.03 and 2 CFR 2900.21]

1. Was the audit completed in a timely manner (no later than nine months after the end of the organization’s fiscal year)?
2. Examine the section of the audit report called “Schedule of Findings and Questioned Costs.” Consider the following:

Are material weaknesses identified?

Are reportable conditions identified?

Are Federal award findings identified?

Are Federal award questioned costs identified?

1. If there are issues identified on the Schedule of Findings and Questioned Costs, what is the current corrective action plan employed by the grant recipient to resolve these matters?
2. How long has the grant recipient employed the existing audit firm for audit work? For non-State entities, is the procurement method used to secure the services of the existing or new auditing firm in compliance with the Procurement Standards of the Uniform Guidance?
3. Did any subrecipients expending $750,000 or more in Federal awards have a single or program-specific audit performed?
4. Does the PTE have an audit report from its subrecipients?
5. As part of its monitoring responsibilities, did the PTE follow up with the proposed corrective action on outstanding WIOA related audit findings? How does the PTE ensure corrective actions are resolved timely?