

**Contractor Assistance Program (CAP) Guide - FOTA
Consolidated Fund Application (CFA) 7.0
Unemployed Worker/Underemployed Worker Training Programs**

The goals of the Contractor Assistance Program (CAP) as they relate to the Consolidated Funding Application (CFA) Unemployed/Underemployed Worker Training (UWT) Program contracts are to ensure:

- Reimbursed expenditures are supported by appropriate documentation;
- Training activities comply with the terms and conditions of the contract;
- Workers trained under the contract are eligible for the program;
- The number of workers trained and the number of training sessions provided are in line with the contract budget;
- Technical assistance is provided to the contractors as necessary and appropriate.

These goals are to be achieved through the periodic review and verification of reported expenditures and contract provision adherence. The Financial Oversight and Technical Assistance (FOTA) monitors analyze the expenditures to ensure they are reasonable, allowable, and properly supported by agency records and source documentation. The results of each review are presented in a CAP report prepared by the monitor and issued to the contractor.

PROCEDURES

A. Initial Steps

1. Review all contracts while operating if possible.
2. Review a copy of the applicable CFA Request for Proposals (RFP) and the corresponding CFA 7.0 Questions and Answers for the contract(s) being reviewed.
3. Obtain copies of the Reimbursement Requests (RR) from the Contract Development and Processing Unit (CDP). These can be printed from the WD Contracts folder on the server.
4. Send an e-mail to CDP to ascertain if there are any unique issues or circumstances with the contractor that bear special attention during the CAP review.

B. Set up CAP Visit

1. Telephone the contractor to arrange a date and time for the site visit.
2. Send an e-mail to the contractor confirming the date and time. Include an outline that defines the scope of and the items needed for the review. **Label as Exhibit 3.**
3. Telephone or email the contractor prior to the start date of visit as a reminder.

C. Prior to CAP Visits

1. Review the Detail Reimbursement Requests (DRRs) and prepare a spreadsheet of the reimbursed expenses and compare the actual expenditures to the line item budgets. **Label as Exhibit 1.** Allowable costs include a published or calculated tuition rate, Incentives/Stipends, supportive services, books and training materials directly associated with the training, credentialing exam fees, and software required to deliver the program of training. Note: Incentives/Stipends and Supportive Services must have a policy/procedure to follow as to how those services are being provided to eligible participants.
2. Prepare a Schedule of Cash Receipts. **Label as Exhibit 2.**

Note: If this is the second review for the contract, review the prior CAP report, technical assistance given, and notes from prior work papers.

D. Entrance Conference

1. Subjects discussed at an entrance conference may include, but are not limited to: the purpose of the CAP Program, the scope of the review, the procedures used by the FOTA Auditor, and problems disclosed during prior review visits.
2. Maintain a record of the meeting in the CAP work papers. **Include in Exhibit 3.**

E. Verification of Cash Receipts

Verify that all contract payments were received from NYSDOL and were properly and promptly deposited into a grantee bank account. If the cash requested does not match the cash receipts, note the reason. Update the schedule of cash receipts **labeled as Exhibit 2.**

F. Examination of Reimbursed Expenses

1. If applicable, review the Detail Reimbursement Requests (DRRs) to ensure that any adjustments required as a result of a prior review were properly made.
2. Select an appropriate and representative sample of expenses for review (see the following sections for specific review steps to employ).

Note: One-on-one training is not allowed under any circumstance.

Training Costs (Published Rate)

1. Verify that the training vendor/consultant and the training course are the same as what was approved in the contract or in subsequent contract modifications or approvals.
2. Verify that the vendor/consultant providing the training is charging the same fee to participants of this grant as they charge to other customers. Discuss and note in the review narrative how the rate is considered “published” to the public.
3. Examine trainee attendance records. Has any trainee dropped the course prior to completion of 51%? If so, was the appropriate reduction in tuition applied? If the trainees attend up to and including 50% of the course, the provider is only reimbursed at a pro-rated level of attendance achieved. For example, if a trainee attends 30% of the course sessions, based on number of hours attended versus number of hours outlined in the approved budget, the reimbursement will be at 30% of the tuition rate. For trainee attendance 51% or higher, the provider will be reimbursed for 100% of the individual’s tuition rate.
4. Obtain a copy of the vendor/consultant contract (if applicable).
5. Verify that training was performed in accordance with both the contract between NYSDOL and the CFA program contractor and between the CFA program contractor and the training vendor/consultant. Also, verify that the costs were incurred within the contract period. Training cannot start before the contract start date or end after the contract end date. If that occurs, the costs are disallowed, but may be able to be resubmitted with a budget modification if that option to extend the contract end date is applicable.
6. Examine documentation to support payment (invoices and cancelled checks and/or bank statement verification). Prepare a schedule or narrative outlining what was reviewed and what was found. **Label as Exhibit 4.**

Training Costs (Calculated Rate)

1. Examine trainee attendance records. Has any trainee dropped the course prior to completion of 51%? If so, was the appropriate reduction in tuition applied? If the trainees attend up to and

including 50% of the course, the provider is only reimbursed at a pro-rated level of attendance achieved. For example, if a trainee attends 30% of the course sessions, based on number of hours attended versus number of hours outlined in the approved budget, the reimbursement will be at 30% of the tuition rate. For trainee attendance 51% or higher, the provider will be reimbursed for 100% of the individual's tuition rate.

2. Verify that the training vendor/consultant and the training course are the same as what was approved in the contract or in subsequent contract modifications or approvals.
3. Obtain a copy of the vendor/consultant contract (if applicable).
4. Verify that training was performed in accordance with both the contract between NYSDOL and the CFA program contractor and between the CFA program contractor and the training vendor/consultant. Also, verify that the costs were incurred within the contract period. Examine documentation to support payment (invoices and cancelled checks and/or bank statement verification). Prepare a schedule or narrative outlining what was reviewed and what was found.

Label as Exhibit 4.

Supportive Services

Supportive Services are allowable under this contract to help dislocated workers complete occupational skills training, achieve industry-recognized credentials, and attain and retain employment provided these services are directly attributable to trainees funded by this contract and not provided by a third party on a referral basis. Such supportive services may include, but not limited to:

- Child and dependent care;
- Housing;
- Trainee transportation;
- Incentives/Stipends for trainees that meet benchmarks while participating in the program.

1. Verify that each supportive service or Incentive/Stipend is in accordance with the approved budget and the contractor's policies and procedures as detailed in the application and that it is uniformly applied to all trainees who are eligible.
2. Verify that each supportive service was necessary for the trainee to participate in training.
3. Examine documentation to support each supportive service/Incentive/Stipend (invoices/receipts, etc). Prepare a schedule or narrative outlining what was reviewed and what was found. **Label as Exhibit 5.**

NOTE: The following procedure should be employed for all training contracts.

- Verify that the contract period does not exceed one year or that a no-cost extension up to three months was approved.
- Verify that one-on-one training was not provided. One-on-one training is not allowed.

NOTE: The reviewer should note any discrepancies or systemic deficiencies found. Be aware that discrepancies may result in required Reimbursement Request adjustments and that technical assistance should be provided on any disclosed system problems. Additional analyses should be done based on the FOTA Consultant's judgment.

Un-allowed Costs:

- One-on-one training;
- Sales training;
- Human Resources Training;
- Stand-alone remedial training (including "soft skills", such as communication, team development, conflict resolution);

- Stand-alone Microsoft Office applications (e.g., Word, Excel, PowerPoint, etc.) and other basic office software applications (QuickBooks, Adobe, etc.). Note: This refers to stand-alone courses in individual applications, it does not refer to larger certifications such as Microsoft Office Specialist;
- Basic Safety training, Sexual Harassment training, Diversity training that is not directly applicable to the occupation, Orientation training (the provision of these types of training is each applicant’s responsibility and a normal cost of doing business);
- Training required as part of a federal, state or local government mandate;
- English as a Second Language(ESL) training (as a stand-alone course of study);
- Startup costs, curriculum development, and assessment costs;
- Any other costs deemed inappropriate by the New York State Department of Labor, such as training that does not result in a transferable skill, activities that are determined to be business consulting rather than training (e.g. coaching, follow-up, reinforcement, etc.), and any costs that do not meet the intent of the RFP.

Note: For additional costs that will not be allowed under this grant, see the “Restrictions on the Use of Funds” section of the CFA 7.0 UWT RFP.

G. Verification of Participant Attendance and Training Outcomes

1. Examine trainee attendance records to verify sign-in sheets were maintained for each training session to document attendance. They must include the name of the trainee, signature of the trainee, signature of the trainer, and date and hours of training. Certificates of completion are allowable as additional attendance support, but not alone as verification of attendance.
2. Compare the number of participants to be trained per the contract budget to the actual number trained; explain any significant differences.
3. Verify that a TIF eligibility form is on file for each participant for whom reimbursement is being sought. If any forms are missing, ask the contractor to provide the missing forms for any participants to verify eligibility.
4. Verify that all training sessions detailed in the contract budget were, or will be, performed prior to the end of the contract. Note any sessions that will not be performed with an explanation as to why from the contractor.
5. Prepare a schedule to verify reported costs for each training by participant and any deficiencies noted with the above verification items. **Label as Exhibit 6.**

H. Technical Assistance

There are no set procedures to follow for providing technical assistance. Each situation is unique. The FOTA Monitor must determine what is appropriate. All technical assistance given must be documented in the CAP work papers. Any necessary follow-up assistance should also be detailed in the CAP work papers.

I. Exit Conference

1. An exit conference is to be held at the end of every review visit.
2. Subjects discussed at the exit conference may include, but are not limited to:
 - All findings disclosed during the review;
 - How the contractor will resolve any current findings;
 - Resolution of any prior findings;
 - Technical assistance; and
 - Subsequent reviews
3. Open discussions should be encouraged at the meetings. Use this time to elicit the grantee’s opinion regarding the Department’s solicitation/contracting process and any suggestions on improvements that could be made. Forward this information by email to the FOTA Office Supervisor.
4. Maintain a record of the meeting in the CAP work papers. **Label as Exhibit 7.**

J. Preparation of Work papers

1. Ensure that all work papers detail all issues, the authority applied/relied upon, and conclusion.
2. Prepare a narrative detailing all issues/problems, Findings, Observations, and points of interest etc. disclosed during the CAP visit. **Label as Exhibit 8.**
3. Follow up on any necessary technical assistance.
4. Submit work papers for review.

K. CAP Report

If there are no questionable/unallowable costs, a report will be e-mailed to the contractor at the end of the review. The report should clearly identify all Findings and required Reimbursement Request adjustments. If adjustments are required, the CAP report should provide information regarding the process the contractor should follow if it disagrees. They should be provided 30 calendar days to submit any additional documentation or explanation. Necessary corrective actions including time frames should be identified in the report. A copy of the report is to be emailed to the FOTA Office Supervisor, the Contract Development and Processing Unit, and the Special Investigations Unit.

If there are questionable costs requiring repayment of funds, the report is to be sent to the Contractor via Certified Mail, and the NYSDOL Audit Resolution process must be followed. The report must state that payment is payable to **New York State Department of Labor** and is to be sent to the Office of Workforce Investments within the Bureau of Quality Assurance currently at:

Office of Workforce Investments
Attention: Ms. Sharie Fitzgibbon
Building 12, Room 436
State Office Campus
Albany, New York, 12240

The Workforce Programs Manager 2 with the Bureau of Quality Assurance must be copied on the letter to the contractor. **Label the CAP report as Exhibit 9.**

Schedule of Exhibits

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| Exhibit 1 | Schedule of Vouchers (Reimbursed Expenditures) compared to Budget |
| Exhibit 2 | Schedule of Cash Receipts |
| Exhibit 3 | Entrance Conference and/or Email/correspondence confirming site visit and information requested. |
| Exhibit 4 | Schedule of Training Costs analyzed and any support documentation. |
| Exhibit 5 | Schedule of Support Payments and any support documentation. |
| Exhibit 6 | Participant Attendance and Outcomes |
| Exhibit 7 | Exit Conference |
| Exhibit 8 | Monitors Narrative |
| Exhibit 9 | CAP Report |