

Financial Management Review

CURRENT REVIEW PERIOD COVERED:	_____
PRIOR REVIEW PERIOD COVERED:	

ENTITY MONITORED:	_____
MONITORS NAME:	_____
Review Start Date:	_____
Review EXIT Date:	_____
Date Workpapers Submitted for Supervisor Review:	_____
Completed: (Date and Initials of reviewer):	_____
REPORT ISSUE DATE:	

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Objectives: To determine that the:

- ❖ Amounts reported as cash expenditures, accruals, obligations, stand-in costs and program/interest income are accurate, allowable and properly supported by documentation.
- ❖ Cost allocation methodologies used by the LWDA are OMB compliant and that costs are properly and equitably distributed to the benefiting cost objectives and documentation is maintained in support of the allocations.
- ❖ LWDA develops budgets for their WIOA grants, that those budgets are being actively used and updated/modified, and that costs are being tracked against budget parameters at least monthly and presented to the WDB Board as required.
- ❖ Internal controls of the financial management system are adequate and reliable.

Review:

LWDA's Financial Management Policies and Procedures

Most recent Desk Review (Label as Exhibit 3)

Most recent Financial Management Review narrative, report and follow-up reports (Label as Exhibit 19) and include a summary in your current review's narrative.

Most recent Single Audit report (Label as Exhibit 17)

One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG)

OMB 2 CFR 200; WIOA Rules and Regulations, Department of Labor, Part VI

TEGL 28-10 (Accrual and Obligation reporting)

Technical Advisories

Procedures:

Note: In doing the following procedures involving sampling and analyses, your monitoring should concentrate on the areas where based on past on-site reviews, monthly desk reviews, or other information learned there is a perceived weakness or lack of documentation. However, if in your judgment there are no perceived weaknesses, select your areas to include areas that were not selected in the prior on-site review, and in the future, your monitoring should rotate the focus to different areas with each new review. Explain in the Monitor's Narrative – Current Review – General section (Exhibit 15) your intent and emphasis.

1. Contact the entity to arrange on-site dates for the review. Send an e-mail to confirm. If an entrance conference is held, note details of the meeting in Exhibit 16.
2. Obtain and review a copy of the LWDA's financial management policies and procedures. Label as Exhibit 1. Make sure it is the most recent version. Compare the policies and procedures to the list in section Exhibit 1- WP- Workpaper Tool. Note on Exhibit 1-WP where each of the subjects is contained in the entities Policy and Procedure documents. Do the policies and procedures address each of the requirements as outlined? Explain in the Monitor's Narrative any weaknesses found and note any findings for policies that are out of date or missing.
3. From your review of the policies and procedures, discussions with staff and observation, complete the "Listing of Persons Performing Fiscal Functions" (Exhibit 2). Does the entity have internal controls in place to safeguard WIOA funds? Are all required policies and procedures written and being updated as necessary? Note your observations in the Monitor's Narrative and note any weaknesses and/or findings.

Note: One of the keys to ensuring adequate internal control is to involve numerous staff in the various fiscal functions. However, due to the small size of some of reviewed entities, it may be difficult for them to achieve an optimal level of separation of duties. When there is such a

concentration of functions with one individual, the Monitor should encourage, when economically feasible, the involvement of other staff in the fiscal process.

4. Your review must begin at the period commencing after the last month of the last review and must extend through to the most recent month. For example, if it's February 1st, your review must extend to the most recent month of December as all reporting for this most recent month was completed in January. Bring on-site your copy of the most recent months' Monthly Financial Report (MFR) package – Monthly Statement of Daily Cash Transactions (MSDCT), Monthly Summary of Cash Reports (MSCR), and Accrued Expenditure Reports (AER) (PeopleSoft report) submitted to Albany. Label as Exhibit 4.
5. Using the MFRs in Exhibit 4, confirm the accuracy of the amounts reported (including receipts, daily disbursements, monthly disbursements, total cash expenditures, accruals, unliquidated obligations, encumbrances, program/interest income, stand-in costs and contract advances) *by comparing them to the official books of account*, subsidiary records, worksheets and *bank statements*. Check off on the individual MFRs those amounts sampled. Identify what documents were used to complete this analysis and note any differences found in Exhibit 5. Investigate and explain the differences. Copies of the official books of account used can be kept as part of the workpapers and labeled as Exhibit 5. NOTE: For **Stand-in Costs**, review the entities documentation/backup that supports those costs as being paid on their behalf, and that the source of funds used as payment was not from Federal resources. Review when the costs were incurred and that they are reported on the MFRs during the appropriate time period.
6. For multi-entity LWDA's, complete Exhibit 6 to determine if the sum of the parts equals the whole for the AERs (PeopleSoft report), MSCR and MSDCT. Comment on any differences. Individual program fund balances should also be compared and reconciled to the books of account for each of the sub recipients. For the MSCR, detail whether the LWDA is also comparing individual program funds for each of their subrecipients as required and if they are being provided a reconciliation of the subrecipient bank to books of account to report. Are those individual amounts also in balance with the individual entity records? Note your findings in the review narrative exhibit 15.
7. Examine the **bank reconciliation** (between the bank statement and/or Treasurers' account balance and the official books of account) for the most current month under review. Copy the reconciliation and other backup documentation to show that the amounts are in balance and label as Exhibit 7. Comment on the Exhibit and the process used as well as any discrepancies between the bank statements/treasurers' records, official books of account and MSCR ending report balances. Is the entity performing reconciliations monthly between their official books of entry, their bank statement or treasurers' account balance and the WIOA **individual program fund** report balances? This must be demonstrated in your work papers.
8. Include a copy or create a worksheet (label as Exhibit 8A) that shows the entire composition of the reported **current accruals and unliquidated obligations** that were reported on the most current monthly report (People Soft/AER) used for this review. The total composition (Exh. 8A) should tie directly to the overall amounts reported for each funding category on the monthly report submitted to People Soft. Choose a sample of each type of current accrual and unliquidated obligation on that schedule and analyze. Your sample should include at least the following: ITA's, OJT's, Customized Training, Incumbent Worker, Transitional Worker, Payroll, Fringe benefits, unpaid utility bills, travel, supplies, postage, copy expenses, Youth contracts, other contracts, etc. The sample should be sufficient to competently defend the conclusions reached as a

result of the analyses. Label the sample as Exhibit 8. Also, the workpapers must be detailed enough to demonstrate what analyses were conducted in support of the conclusions reached. While sampling, note if the Cost Allocation Plan is followed for the accrual and obligation reporting. Note any findings in Exhibit 15.

9. Complete the **Accruals and Unliquidated Obligations Survey** (Exhibit 9). Are there any types of costs that are not being accrued/obligated properly each month? Example of items to look for are books for participants enrolled in training and other NPS costs that should not be reported as an accrual until the items are actually purchased/received and the expenditure amount is known. See TEGL 28-10 for guidance on Accrual and Obligation reporting. Are all accruals and obligations being reported every month on the NYSDOL reports? Obtain a copy all the training institution's drop out/refund policies used by the LWDA. Label refund policies as Exhibit 9A.
10. Create an Accrual/Obligation narrative to explain the entities process and any findings noted for any items not reported that should be or items not reported accurately. Label as part of Exhibit 15.
11. Scan payments made via the check register/bank statements (EFT) for the entire review period, as well as any journal entries and select a sample of **Non-Personnel Services (NPS)** expenditures, payroll and fringe benefit expenditures covering the period since the last Financial Management Review was completed. See Exhibit 10 instructions in this guide on pages 13-16 for further instructions for each exhibit to be completed. The sample should include some of each type of expenditure reported and any items that seem out of the ordinary or new for the entity. Your sample should include at least the following: ITA's, OJT's, Customized Training, Incumbent Worker, Transitional Worker, Payroll, Fringe benefits, Youth Work Experience, Supportive Services, Incentives/Stipends, utility bills, travel, supplies, postage, copy expenses, Youth Contract payments, lease agreement payments, equipment purchases, other contract service payments. The sample should be sufficient to competently defend the conclusions reached as a result of the analyses. Examine source documentation for details of the expense and copies of cancelled checks and/or bank statements to confirm payment. Complete all the following Exhibits 10-NPS, PR- Payroll; 10-Fringe, 10-Train: OJT, ITA, Customized Training, Incumbent Worker, Transitional Jobs; Youth Work Experience; Stipends; Incentives; Supportive Services. Pay attention to whether the LWDA is purchasing any water, coffee, food or related items, entertainment or marketing items that may not be allowable. If problems are found, the sample size may need to be expanded. NOTE: Youth Incentives must not include entertainment and must be connected to recognition of achievement of milestones in the program tied to work experience, education, or training. Supportive Services cannot be part of Youth Work Experience expenditures. (TEGL 8-15; 21-16). **NOTE: Ensure that all salary, fringe benefit and bonus payments are in conformance with the ETA Executive Level II Salary Cap (see Exhibit 10 review steps below).**
12. Scan **Journal Entries** covering the period since the last Financial Management Review was completed. Prepare Exhibit 10-JE. Examine the journal entries to see if they are reasonable and if documentation exists to support the action taken. Do Journal Entries need higher level approval? Does the source documentation used as backup for the Journal Entry contain the reason the JE was completed and is the documentation proper for record keeping? Note your conclusion in Exhibit 10-JE. NOTE: Was the Journal Entry transferring expenditures from one Program type to another? This type of entry needs to be evaluated for allowability as if the expenditures transferred are, for example, Adult expenditures and they are now transferred to Youth, the JE may not be allowable due to the nature of the expenditure being Adult and not Youth.

13. WIOA implemented requirements relating to Youth participants that must be reviewed. Select a sample of **Youth Work Experience** expenditures including participant wage and fringe benefits; staff salary allocated to work experience, Youth Work Experience Incentives paid, and any other expenditures reported by the entity to the Youth Work Experience category on their monthly reports. Prepare exhibit 10-YWE. Is the entity keeping track of and recording the Youth Work Experience expenditures appropriately and have they met the 20% expenditure rate requirement? Review WIOA 681.590, 381.460 (a)(3), 681.600 and TEGLS 8-15, 21-16 for items that can be reported as Youth Work Experience expenditures and requirements for Incentive payments. Note any observations in your review narrative, Exhibit 15. NOTE: Supportive Services are not allowed to be reported as Youth Work Experience costs per TEGL 21-16.
14. Include a copy of the entity **Cost Allocation Plan** or approved **Indirect Cost Rate** letter(s) that is valid for the review period. Label as Exhibit 11-CAP. For the PLAN: Review the plan to assure it is comprehensive and can be used consistently to allocate all costs as necessary. Review the TAG Chapter II-8 to determine whether the plan includes all required documentation. When you look at the plan, are you able to determine how to cost allocate the entity's expenditures? Does the plan have attachments and footnotes to describe the process they use to allocate each of the cost categories? Does the plan result in percentages that can be easily applied to the expenditures? If participant counts are used, is backup maintained that ties out to the percentages figured? Trace one complete month of the Cost Allocation Plan calculations, noting each step of the process in the Exhibit 15. If the entity has a federally approved Indirect Cost Rate, verify that the approval was received from a cognizant federal agency and that the rate used for the expenditures is valid for the time frame of all sampled expenditures covered for this review period. Use 2 CFR §200.405, 200.419 as references, as well as the TAG Chapter II-8. Alternatively, in accordance with 2 CFR 200.414(f), NFPs who have not received a federally approved negotiated indirect cost rate previously can now utilize the de minimus rate. The de minimus rate can be charged at 10% of Modified Total Direct Costs (MTDC).
15. Using the sampled expenses in Exhibit(s) 10, complete Exhibit 11. (If you wish, you can combine both exhibits 10 and 11 into one overall exhibit.) Verify that the expenses sampled have been allocated in accordance with the entity's cost allocation plan and that expenses are properly allocated between WIOA funding sources as well as Non-WIOA Grants by an approved method other than budget amounts. NOTE: Budget amounts can be used in the interim for allocating costs, but those amounts MUST be periodically reconciled with actual benefit received and allocated and adjusted based on some actual method. Trace the percentages created from the Cost Allocation Plan documents to the percentages used to allocate the expenditures for the period. Did the entity apply the Cost Allocation Plan percentages accurately to the sampled expenditures? If not, this is a finding and a correction to expenditures allocated is needed. **Make a copy of one complete Cost Allocation Plan calculated percentages used in your comparison/analysis for your workpapers.** Analyze the percentages to assure accuracy and that source documentation used to prepare the percentages is verified. Label as Exh. 11 CAP-A. Assess the reasonableness of all the various cost allocation methodologies. Determine whether the methodologies and the data used in support of the methodologies have been updated at reasonable intervals (at least monthly) and provide for a fair and equitable distribution to the benefiting cost objectives and are OMB compliant. Are examples of support documentation part of the Cost Allocation Plan? Is the plan comprehensive without the support documentation? Make a determination as to whether the Cost Allocation Plan should include a sample of the support documentation to make the plan more comprehensive for the entity's staff to understand. Note any issues in the Cost Allocation narrative -Exhibit 15-CAP.

16. For **Payroll**, complete an analysis assessing the reasonableness of the staff wage allocations considering participant activity/counts during the quarter, staff changes, workload fluctuations, prior quarters' allocations, and budget changes. If the payroll allocations show consistent percentages such as 30/30/30/10% or 25/25/25/25% between programs, there may be an allocation issue and expenditures may be allocated based on budget alone without periodic reconciliation to actual which is not allowable per WIOA. Discuss the analyses with the Workforce Program Specialist to see if they have any insights that may impact the review such as participant count information. Review the most recent Program Quarterly Desk Review to see if there are any issues that could relate back to fiscal issues. Outline your discussion and analysis in the Monitor's Narrative. Label as Exhibit 11-PR.
17. Include a copy of the most current **Program Year budget** and/or **Local Plan budget**, along with any approved **Budget Modifications** for the WIOA and/or other funds and label as Exhibit 12. Assess the budget to see that it has been reasonably developed and that the agency is properly managing the budget by tracking expenses against it and making budget modifications as necessary. Obtain the most recent comparison of the agencies tracking of actual expenditures to budget. Label as Exhibit 12-A. Is the budget approved by the Workforce Development Board? Include a copy of the Workforce Development Board minutes noting the budget approval. Label as Exhibit 12-B. Was any modification made to the budget since the initial approval by the Workforce Development Board? If yes, obtain the modification and the Workforce Development Board minutes noting the budget modification approval by the Board. Label as Exh. 12-C. Review the agency budget modification policy to assure internal controls are in place and that WDB Board approvals are required for modifying the budget. (WIOA 107 (d) (12) (B)(i)(III)) Complete the Budgeting Practices Survey (Exhibit 13). Review the Budget narrative from prior review. Comment on Exhibit 12-A, B, C and the Budget/Budget Modification Policy and Procedure in the review narrative Exhibit 15.
18. Based on your observation, discussions with staff, review of policies and procedures, sampling and analysis, complete the **Post Review Survey** (Exhibit 14). Outline the reason any of the answers are "NO" by providing explanations and whether these are findings or not. If not, why? Discuss with supervisors if needed to assure consistency with your review.
19. Arrange and conduct an **Exit conference**. The Exit conference can be done while on-site or at a later time if necessary. All fiscal staff of the LWDA and the WDB Executive Director must be invited to the Exit Conference. If necessary and where appropriate, NYSDOL program staff and the LWDA program staff can be invited as well. **Detail** the conversation in Exhibit 16 including all items and findings discussed. If follow up Exit conferences are held, detail the additional dates and conversations.
20. Summarize your monitoring visit in the **Monitors Narrative** in Exhibit 15. Detail all exceptions found. Note any technical assistance provided, the results of the current analyses and recommendations, appropriate timeframes for corrective action and/or issues requiring immediate attention (if any). Detail any findings that will be included in the report along with the compliance requirements.
21. Prepare the workpapers and report/letter for supervisor review.
22. Issue the report/letter once approved. Label as Exhibit 18.
23. Follow up on any weaknesses within 30 calendar days of issuance if corrective action is required and issue a follow up report/letter.

Listing of Persons Performing Fiscal Functions

Identify staff performing the following responsibilities:

<u>Function</u>	<u>Name</u>	<u>Title</u>
Maintains WIOA Books		
Prepares MFRs		
Reconciles MFRs to Official Books of entry		
Maintains Program Income		
Allocates Costs		
Approves Purchase Orders		
Deposits Receipts		
Records Receipts		
Prepares Checks		
Records Disbursements		
Prepares Bank/Treasurers' report Reconciliations		
Distributes Checks to:		
Staff		
Subrecipients & Vendors		
Participants		
Maintains Petty Cash		
Maintains Property Records		
Certifies Time & Attendance Records of:		
Staff		
Participants		
Signs Checks		
Holds Blank Checks		
Authorizes Payroll for New Hires		
Authorizes Payments to Participants		

Comment as to whether or not there is adequate separation of duties:

Accruals and Unliquidated Obligations Review Survey

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1. Are accruals and obligations appropriately developed for the following costs?			
a. Payroll	_____	_____	_____
b. Fringe Benefits	_____	_____	_____
c. Supplies	_____	_____	_____
d. Utilities	_____	_____	_____
e. Travel	_____	_____	_____
f. Rent	_____	_____	_____
g. One-Stop Operator	_____	_____	_____
h. ITAs	_____	_____	_____
i. Customized Training	_____	_____	_____
j. OJTs	_____	_____	_____
k. Youth Contracts	_____	_____	_____
l. Incumbent Worker Training	_____	_____	_____
m. Transitional Job Training	_____	_____	_____
n. Books, other training costs.	_____	_____	_____
o. Others (list)	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
2. For the tuition portion of an ITA, is an obligation reported only after evidence is obtained that the participant enrolled in training? TEGL 28-10	_____	_____	_____
3. For the tuition portion of an ITA, is an obligation reported only for the current semester?	_____	_____	_____
4. For the tuition portion of an ITA, does the LWDA properly calculate each individual's accrual, obligation and encumbrance by documenting attendance and properly calculating the payment considering the appropriate refund policy?	_____	_____	_____
5. Describe how each participant's attendance is documented for the purposes of reporting accruals.			

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|------|--|-------|-------|-------|
| 6. | For ITAs, does the LWDA maintain a current listing of each training institution's drop out and refund policy? Obtain a copy and attach to workpapers as Exh.9A. | _____ | _____ | _____ |
| 7. | For the tuition portion of an ITA, are accruals, obligations and encumbrances properly adjusted at the time that the LWDA becomes aware of TAP and/or PELL awards? | _____ | _____ | _____ |
| 8. | For OJT's, Incumbent Worker, Transitional Jobs, Customized Training (CT) and Youth contracts, are accruals recorded only as the training is provided? | _____ | _____ | _____ |
| 9. | For OJT's, Incumbent Worker, Transitional Jobs, Customized Training (CT) and Youth contracts are the reported accruals net of any cash payments? | _____ | _____ | _____ |
| 10. | For OJT's, Incumbent Worker, Transitional Jobs, Customized Training (CT) and Youth contracts, once a contract has been paid in full has any unliquidated obligation been de-obligated? | _____ | _____ | _____ |
| 11. | For OJT's, Incumbent Worker, Transitional Jobs, Customized Training (CT) and Youth contracts does the LWDA properly document the participant's status so that, in the case of firing or dropping out, the contracts are promptly and properly deobligated? | _____ | _____ | _____ |
| 12. | For leases, is any portion of the obligated amount related to a termination fee? NOTE: this must be stated in the Lease Agreement. | _____ | _____ | _____ |
| 13. | For leases, is the amount that is reported as an accrual (and/or an expense) only the cost of the rent/services that has been incurred? | _____ | _____ | _____ |
| 14. | Is the LWDA's annual leave system a funded leave system? | _____ | _____ | _____ |
| 14a. | If yes, does the LWDA properly administer an escrow account for the leave costs? | _____ | _____ | _____ |
| 14b. | If yes, does the LWDA properly report leave accruals? | _____ | _____ | _____ |
| 15. | If the LWDA's annual leave system is unfunded, does the LWDA prohibit the reporting of leave accruals as expenditures and prohibit the use WIOA funds when accruing? | _____ | _____ | _____ |

Sample of Expenditures

Scan entity's records for the entire review period and pick a sample of assorted expenses from the review period. The entities check register for the review period is a good source to pick samples from. Note: If the Monitor determined that there is not adequate separation of duties, he/she must decide if the sample sizes need to be increased to ensure proper accountability.

1. Staff Salaries: Sample at least two (2) complete payroll periods. Exhibit 10-PR

- Trace sample to payroll registers.
- Examine timesheets, cumulative leave records, and bank statements and/or canceled checks.
- Verify leave taken is in accordance with established policy.
- Note all difference found in the monitors' narrative.
- Review the entity personnel policies. Are the timesheets signed by both the employee and the supervisor?
- Ensure that salary and bonus limitations for ETA-funded programs are adhered to.

Salary and Bonus Limitations- Technical Advisory #11-8, issued 07/07/11, informed the local areas of a new limitation on salary and bonus payments pertaining to funds appropriated for ETA programs. This limitation was implemented through Public Law 109-234, Section 7013 and cannot be waived by ETA. The law states that ETA funds cannot be used after 6/15/06 by any recipient or subrecipient of ETA funds (State, local area, local area subrecipient, WDB, fiscal agent) to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate more than **Executive Level II** Federal wage salary scale. The limitation does not apply to benefits that are not salaries or bonuses, such as fringe benefits. The Executive Level II schedule is usually adjusted annually by the Federal Office of Personnel Management and is \$183,300 as of 1/1/15, \$185,100 as of 1/1/16, and \$187,000 as of 1/1/17. Go to <http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/> for the most current Executive Level II salary limits. (WIOA 20 CFR 683.290) This restriction does not apply to contractors, but does to sub recipients.

Review Steps:

1. Review W-2s of staff charged to WIOA grant. The total salary per the W-2 should be compared to the annual salary based on the payroll registers to determine if additional payments such as bonuses were paid.
2. Scan the payroll register to ascertain if there appear to be any extra payments above the employee's annual salary rate for the grant period.
3. Determine if any staff exceeded the Executive Level II pay rate, including salaries included in an organization's indirect cost rate.
4. If yes, the portion of salary or allocated salary that exceeded the Executive Level II pay rate must be removed from reporting for the WIOA grant.

2. Fringe Benefits Exhibit 10-Fringe

- Verify rates and calculations for **all reported fringe benefits**. Include a copy of the current rate verification and/or bill as part of the workpapers for each fringe benefit expensed to WIOA funds. NOTE: A county entity should be receiving rate verifications at least annually from their county department that handles fringe benefits. Label as Exh. 10-PR-A
- Investigate all differences.

For non-profit agencies who do their own payroll:

- Ensure agency is current on payment of federal and state withholding taxes by

- examining most recent quarter's 941 and NYS-45 reports.
- Prepare a schedule to show the amount of tax due compared to the tax payments made by the entity.
- Ensure agency is current on payments to NYSDOL for Unemployment Insurance.
- If the entity has an approved fringe benefit rate obtain a copy for the work papers. Verify the issuing agency is acceptable per the OMB's. Label as Exh. 10-PR-A

3. Non-Personnel Services Exhibit 10-NPS

- Review copies of all leases and contracts. Make copies for the work papers of those sampled.
- Ensure that payments for travel are in accordance with the entities established policies.
- Test to see if equipment, supplies, etc. are being purchased at the end of the program in an attempt to use up program funds or to meet the spending requirements.
- Ensure the LWDA obtained approval from NYSDOL for any equipment, renovations or capital improvements in excess of \$5,000. (Technical Advisory #17-3)

4. On-the-Job Training (OJT) Exhibit 10-OJT

- Review the OJT policies and procedures. Verify the LWDA OJT policies and procedures are in compliance with Technical Advisory #10-15.2 and WIOA 20 CR §680.700-750.
- Analyze OJT payments by examining the source documentation. Verify that the wage rate, duration of training period and the actual time period of training is in accordance with the terms and conditions of the signed contract. If payments were incurred outside of the contract period were adjustments made? Was the contract formally modified if needed?
- Verify that fiscal monitoring policies and procedures used to verify the voucher for training hours and payroll for reimbursement are in place and are being followed. Check to be sure that time sheets and payroll records are obtained as backup for payments reimbursed and are part of the source documentation reviewed.

5. Individual Training Accounts (ITA) Exhibit 10-ITA

- Review ITA policies and procedures. What is the current policy that is approved by the WDB Board for the LWDA? What is the current CAP for an ITA for the LWDA? Analyze ITA payments by examining the source documentation. Verify the following:
 - o Training course and provider are approved on the New York State (NYS) Workforce Eligible Training Provider List. This can be done either using the ETPL website, or simply by looking at the training service on OSOS and seeing that the Service Description includes ETPL Auto Load. Any training with that notation was entered properly using the ETPL through OSOS. (WIOA 20 CFR §680.400-680.410)
 - o The course/major is in a demand occupation as determined by the LWDA on the approved Demand Occupation list.
 - o The tuition amount charged does not exceed the maximum allowed per the LWDA's policy and WDB Board approved CAP.
 - o The tuition reimbursed is paid **up to** the CAP allowable by the policy if needed. (i.e. participant didn't have to take out student loans to pay the remaining tuition if the LWDA didn't pay up to the CAP of the ITA per the WDB Board approved policy.) Example: ITA CAP for the LWDA is \$5,000. Participants' tuition is \$5,000- but participant was only allowed \$3,000 by LWDA even though the CAP is \$5,000. The participant takes out a student loan for the remaining \$2,000. **This is a finding for the review.**
 - o NOTE: Youth ITA's are allowable and covered under WIOA 20 CFR 681.550

6. Customized Training (CT) Exhibit 10-CT

- Review CT policies and procedures. Verify they are in compliance with Technical Advisory #01-05.1 and WIOA 20 CFR §680.760.
 - Analyze CT payments by examining the source documentation. Verify that the amount reimbursed to the employer is the percentage outlined in the LWDA policy approved by the Board and represents a percentage of the total cost of the training and that the amount reimbursed does not include the cost of employee wages while in training. (Those costs can be used as match only but cannot be reimbursed.)
- 7. Incumbent Worker Training (Optional training type for the LWDA)**
- Review Incumbent Worker policies and procedures. Verify they are in compliance with WIOA 20 CFR §680.790-680.810.
 - Analyze Incumbent Worker training payments by examining the source documentation. Verify that the amount reimbursed to the employer is in agreement with the percentage of total cost of the training outlined in the WDB approved Incumbent Worker Training Policy, and that the amount reimbursed does not include the cost of employee wages while in training.
- 8. Transitional Jobs (TJ) (Optional training type for the LWDA).**
- Review the entities Transitional Jobs policies and procedures. Verify that they are in compliance with WIOA 20 CFR §680.190-680.195.
 - Verify payments of salary and fringe benefits for those participants enrolled in transitional job work experiences.
 - Does the entity policy provide a time limit for the work experience?
 - Is the transitional job work experience combined with information about the availability of Supportive Services in the local area, as well as referral to such activities, as required?
 - Review all expenditures relating to each participant sampled to determine if the entity followed both their internal policy and WIOA 20 CFR §680.190-680.195.
- 9. Participant Supportive Service Payments/Wages-Work Experience /Stipends/Incentives**
- Review the entity's policies and procedures including Supportive Services (WIOA 680.900, 681.570), Incentives (WIOA 681.640), Youth Work Experience (WIOA 681.600). Verify that they are in compliance with WIOA 20 CFR.
 - Determine the type of payments being made. Sample should include one of each type of support payment expensed by the LWDA such as: travel, daycare, books, wages, stipends, incentives, Needs related payments, etc.
 - a. **Supportive Services (SS) (20 CFR 680.900) Adult-DLW participants:**
 - Has the LWDB established limits on the provision of supportive services?
 - Are SS's only provided to those participating in career or training services.
 - Are SS's only provided when unable to obtain through other programs?
 - Are SS's only provided only when they are necessary to enable individuals to participate in career service or training activities.
 - Supportive Services (SS) (20 CFR 681.570) Youth participants.**
 - Does the LWDA have a written Supportive Services policy for Youth?
 - Do the expenditures follow the written policy?
 - b. **Incentives/Stipends (20 CFR 681.640) Youth**
 - Examine the entity Incentive policy.
 - Are the incentive/stipend payments tied to the goals of the specific program?
 - Was the incentive given as outlined in the policy?
 - Were all participants treated equally when meeting the same requirement?
 - Determine the benchmarks and the amount paid for obtaining them.

- Examine the appropriate support documentation to verify the goal was attained.
- Ensure that all participants receiving payments appear on the participant roster and in OSOS.
- Ensure there is a log or other appropriate system in place for proper control of token/incentive purchases and distribution including gift cards, etc.

c. Wages/Work Experience (20 CFR 681.600) Youth

- Trace amounts reported to payroll registers.
- Examine timesheets.
- Ensure that participants are paid for program activities only; for example – no payments for lunch periods.
- Was at least minimum wage observed?
- Was the work experience for a **limited period of time** as per the LWDA policy? (20 CFR 681.600)

NOTE: Entertainment items are not allowable as Incentives per OMB 2 CFR 200.438. Purchase of food for Youth participants is not an allowable WIOA cost. (OMB 2 CFR 200.432) Must exercise discretion and judgement in ensuring costs are appropriate, necessary, and minimize costs to the federal award. The costs of memorabilia, organizational recognition (name of entity on items) and promotional items are not allowable per OMB 2 CFR 200.421.

Budgeting Practices Survey

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1. Does the entity prepare a budget by:			
a. Program year (July – June)?	_____	_____	_____
b. Calendar year? (for the county)	_____	_____	_____
c. Fiscal year (other than July – June)?	_____	_____	_____
d. For the Local Plan submission? (Attach a copy as part of the work papers.)	_____	_____	_____
2. Does the budget detail information by:			
a. Fund source?	_____	_____	_____
b. Line item?	_____	_____	_____
c. Training activity (ITA, OJT, Customized Training) (Per TA#09-2.1 Action 3a?)	_____	_____	_____
3. Is the Budget approved by the Workforce Development Board? (attach a copy of meeting minutes as part of the work papers)	_____	_____	_____
4. Does the entity periodically review planned vs. actual expenditures? How do they present to the Workforce Development Board? (Attach WDB meeting minutes as part of the work papers).	_____	_____	_____
If yes, what frequency?			
NOTE: Comparison must be completed at least monthly and reported to the Board at each meeting.			
5. If there are large variances between planned and actual, does the entity modify the budget accordingly?	_____	_____	_____
a. If yes, does the entity investigate the reasons that account for the large variances?	_____	_____	_____
b. Does the entity submit to the Workforce Development Board for modification approval? (Attach Board approval minutes.)	_____	_____	_____
6. Is management/administration staff informed of planned vs. actual status? How?	_____	_____	_____

Comments:

Post Review Survey

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
A. <u>Internal Controls</u>			
1. Are there comprehensive written policies and procedures for the fiscal system as outlined in the Exhibit 1 Workpaper tool?	_____	_____	_____
2. Have written accounting policies and procedures been revised or updated since the last monitoring review?	_____	_____	_____
3. Do the fiscal policies/procedures comply with WIOA Rules and Regulations and OMB requirements? WIOA §683.220	_____	_____	_____
4. Are requirements for WIOA funds as restrictive as other programs operated by the subrecipient?	_____	_____	_____
5. Have any recent monitoring reports disclosed any weaknesses related to WIOA funds or other funds?	_____	_____	_____
a. If yes, describe:			
b. Has corrective action been implemented?	_____	_____	_____
If yes, what corrective action was taken?			
Comments: _____			

B. <u>Accounting System</u>			
1. Are monthly trial balances of the books of account current and available for review?	_____	_____	_____
2. Does someone other than the Fiscal Manager approve journal entries? If no, why? What does their policy require?	_____	_____	_____
3. Are subsidiary records reconciled to the official books of entry? (Books to Bank/Treasurers' reports) If no, why?	_____	_____	_____
Comments:			

C. Cash Management

1. Are bank statements/treasurers' records reconciled with the official books of entry each month and to the WIOA report balances? _____
2. Do bank reconciliation procedures provide for: (note where these can be found in the entity's policies and procedures).
- Accounting for all check numbers used? _____
 - Identifying outstanding checks? _____
 - Investigating checks long outstanding? _____
 - Voiding outstanding/stale checks after a reasonable period of time (1 year or less)? _____
3. Does the entity have a petty cash fund? _____
If yes, how often is the petty cash fund reconciled? _____

Comments: _____

D. Disbursements

1. Are checks drawn to cash prohibited? Note how this was determined if yes. If no determine why this is okay or note this as a finding. OMB 2 CFR 200.62 _____
2. Are procedures in place to prevent duplication of a payment? If yes, note where is can be found. OMB 2 CFR 200.62 _____
3. Are advance payments prohibited except for tuition, subscriptions and insurance? If yes, note where this can be found. _____
4. Are credit cards used to pay for expenses? Does the entity have a policy for credit card use? WIOA §683.220 _____
Are invoices reviewed to ensure that only allowable expenses have been incurred on the credit cards? _____
5. Are controls in place to ensure that all disbursements are recorded in the accounting system? Explain. _____
6. Are cash disbursements supported and justified by adequate documentation? _____

What documentation was supplied? Note in monitors' narrative.

- | | | | | |
|-----|--|-------|-------|-------|
| 7. | Does the entity advance funds to lower tier subrecipients? | _____ | _____ | _____ |
| | If yes to who: _____ | | | |
| a. | Are outstanding advances being tracked? How? Explain the process in the narrative. | _____ | _____ | _____ |
| b. | Are reported expenses being offset against the advances? | _____ | _____ | _____ |
| c. | At the end of the contract are the outstanding advances refunded? | _____ | _____ | _____ |
| 8. | Does the entity prohibit the purchasing of food and related items for personal use by staff? (2 CFR 200.445) | _____ | _____ | _____ |
| 9. | Does the entity prohibit the use of funds to purchase meals/food at meetings or other Program activities? (2 CFR 200.432) NOTE: The entity must minimize costs to the Federal award. | _____ | _____ | _____ |
| 10. | Does the entity prohibit the cost of entertainment costs expensed to the Federal Award? (2 CFR 200.438) | _____ | _____ | _____ |

Comments: _____

E. Personnel Cost Documentation

- | | | | | |
|----|---|-------|-------|-------|
| 1. | Does the entity have written policies for accruing and charging leave time? Note where these can be found in your work papers. | _____ | _____ | _____ |
| 2. | Are payrolls initiated through the submittal of time and attendance reports showing hours worked? (timesheets, TDRs) | _____ | _____ | _____ |
| 3. | Do the employee and the supervisor sign the timesheets? (OMB 2 CFR 200.430 (x)(3)) | _____ | _____ | _____ |
| 4. | Does leave time taken on the timesheets match the cumulative leave records? (Provide a copy for the work papers.) | _____ | _____ | _____ |
| 5. | Do the entity Individual Employee Files contain documentation to assure compliance with Health Insurance requirements? (Acceptance of health insurance premiums.) | _____ | _____ | _____ |

6. Does the record outline any pay raises received by the employee along with Approval of Director/Manager/WDB Chair?

NOTE: If a non-union merit position.

Comments: _____

F. Fringe Benefits

1. Does the entity maintain invoices/ policies (or copies of) to support rates for: (If yes, provide examples of each as part of your work papers)

- Health Insurance
- Retirement
- Workers' Compensation
- Disability Insurance
- Unemployment Insurance
- Other: _____

If no, how are rates determined and confirmed?

2. Does the entity periodically confirm the rates and billing amounts in regards to the accuracy of rates, marital status, wage limit, waiting period, tier grouping, employee contributions, retroactive adjustments, etc.

Comments: _____

G. Record Keeping

1. Do financial records appear current, accurate, organized, and complete?

2. Is the entity in compliance with the WIOA

record retention requirement? (TA 16-2)

Comments: _____

H. Program Income (Reference TA #11-14), 2
CFR §200.307, 20 CFR §683.200(c)(6), (7), (8),
and 20 CFR §683.300(c)(5)

1. Has the entity earned any program income during the review period? _____

2. If yes, has the program income been correctly reported on the MFRs? _____

3. Is the entity expending program income first prior to order additional Federal funds? _____

4. What was the total amount of program income earned during the review period? \$ _____

5. Briefly describe the program income earned. How did the entity account for the earned income?

Comments: _____

Entrance Conference

Date: _____

Attendees:

Name

Job Title

Subjects Discussed:

Exit Conference

Date: _____

Attendees:

Name

Job Title

Subjects Discussed:

