

Contractor Assistance Program Guide
Sector Partnership (SP)-NEG-- Incumbent Worker Training (IWT)
SP-3 AND SP-9

The goals of the Contractor Assistance Program (CAP) as they relate to this grant are: to ensure that reported reimbursed expenditures are supported by appropriate documentation, to ensure that reimbursed expenditures comply with the terms and conditions of the contract, to ensure the eligibility of those workers trained under the contract, and to provide technical assistance to the contractors as necessary and appropriate.

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

This grant will support and invest in businesses seeking to provide occupational skill based trainings to underemployed incumbent workers. The *positions* targeted for training must exist and be filled at the time the application is submitted.

PROCEDURES

A. Initial Steps

1. Receive Sector Partnership-NEG Incumbent Worker Training (IWT) contract assignment from the FOTA Office Manager.
2. Review a copy of the IWT Request for Application, the IWT Program narrative, and the corresponding Questions and Answers.
3. Obtain copies of the Detailed Reimbursement Requests (DRR) from the Contract Development and Processing Unit (CDP). These can be printed from the WD Contracts folder on the server.

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 the contractor prior to the start date of the visit as a reminder.

C. Prior to CAP Visits

1. Review the Reimbursement Requests and prepare a spreadsheet of the reimbursed expenses and compare the actual expenditures to the line item budgets. **Label as Exhibit 1.**
2. Prepare a Schedule of Cash Receipts. **Label as Exhibit 2.**

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:
 - a. the purpose of the CAP Program;
 - b. the procedures used by the FOTA auditor and the contractor;
 - c. verification that outside consultants, including training providers, were not involved in the grant application process or preparing Detailed Reimbursement Requests; and

- d. problems disclosed during prior review visits.
2. Maintain a record of the meeting in the CAP workpapers. **Include in Exhibit 3.**

E. Verification of Cash Receipts

Verify that all contract payments have been received from NYSDOL and have properly and promptly been deposited into a grantee bank account. **Update Exhibit 2.**

F. Examination of Reimbursed Expenses

1. If applicable, review Detailed Reimbursement Requests to ensure that any adjustments required as a result of a prior review have been properly made.

TRAINING COSTS

A. If training is performed by outside vendor/consultant:

1. Verify that the training vendor/consultant and the training course are the same as what has been approved in the contract or in subsequent contract modifications or approvals.
2. Obtain copy of vendor/consultant contract (if applicable).
3. Verify that the training was performed in accordance with both the contract between NYSDOL and the IWT Program contractor and between the IWT Program contractor and the training vendor/consultant. Also, verify that the costs were incurred within the contract period.
4. Examine documentation to support payment (invoices and cancelled checks and/or bank statement verification).
5. Verify that the trainee was employed by the contractor prior to the start date of the contract by reviewing payroll documentation. NOTE: Trainee must be an incumbent worker.
6. Verify that the trainees' wages while in training have been paid. NOTE: Training must take place on company time and trainees must be compensated at no less than their normal rate of pay while attending training.
7. Verify the attendance of approved trainees at the training sessions.
8. Verify successful completion of the training sessions by the trainees. This is to be done by examining the attendance records maintained for the training sessions and/or examining certificates awarded at the completion of the training.
9. Verify trainees did not contribute to the cost of the training. Any portion of the training that is not covered by SP-NEG funding must be paid by the business.
- 10. Prepare a schedule and/or narrative outlining what was reviewed and any issues that were found. Label as Exhibit 4.**

B. If training is performed by in-house staff:

Note: Training provided by in-house staff may not be billed at a per trainee rate. NYSDOL will only reimburse for the actual hourly wage rate (salary only, no fringe benefits) of the in-house trainer and be for a minimum of two trainees per course.

- a) Examine a sample of related training staff salary costs.
- Examine time records and/or time allocation worksheets to verify the time charged to the contract.
 - Examine payroll records to verify that actual hourly wage rates for trainers were used for cost reimbursement, and that reported wage rates agree with official wage rates at the time training was provided.
 - Examine payroll records and cancelled checks and/or bank statements for verification of

payment.

- b) Verify that training was performed in accordance with the contract and that costs were incurred within the contract period.
- c) Verify that the trainees' wages while in training have been paid.
- d) Verify that the trainers' wages (salary only, no fringe benefits) while providing training have been paid.
- e) Verify the attendance of approved trainees at the training sessions.
- f) Verify successful completion of the training sessions by the trainees.
- g) Verify trainees did not contribute to the cost of the training. Any portion of the training that is not covered by SP-NEG funding must be paid by the business.
- h) Prepare an analysis schedule for the workpapers and **Label as Exhibit 5**.

The IWT Program will only pay for the cost of the instructor, textbooks, training materials directly associated with the training, distance learning fees, and credentialing exam fees. **It will not pay for any of the following:**

- The acquisitions, construction, or renovation of buildings or other real estate;
- The purchase of any equipment or occupational software;
- Any administrative costs on the part of the contractor;
- Support services such as child care, transportation, lodging, and meals for the trainees;
- Transportation, lodging and meal costs for trainers;
- Advertising;
- Entertainment;
- Interest costs incurred by provider agencies;
- Costs of organized fund raising;
- Sales training;
- Human Resources Training;
- Conferences and seminars;
- Stand-alone remedial training
- Basic Safety training, Sexual Harassment training, Diversity training, and Orientation training (the provision of these types of training are each business's responsibility and a normal cost of doing business);
- Start-up costs, curriculum development and assessment costs;
- Registration fees;
- Payment of fees associated with attendance at seminars, conferences, or meetings of professional organizations;
- Training required as part of a federal, state or local government mandate;
- Purchase of videos;
- 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 RFA.

H. Matching Funds Requirement

Contractors **must provide** matching funds (cash and/or in-kind) paid for **with non-Federal funds** that support allowable grant activities.

- Cash match reflects additional funds or services (allowable costs) provided and paid for by the applicant from non-Federal funds that are in support of grant objectives and outcomes.
- In-kind contributions are the products, space or services provided by a third party organization,

and not paid for by the applicant, but which would represent allowable costs if paid for with NEG funds. Again, these contributions must support allowable grant activities and outcomes.

- Allowable costs are the cost of the instructor, textbooks, training materials directly associated with the training, distance learning fees, and credentialing exam fees)

The rate of matching funds is determined by the number of employees using the following requirement:

- 50 or fewer employees – 10% of the training cost
- 51 to 100 employees – 25% of the training cost
- More than 100 employees – 50% of the training cost.

Prepare an analysis of the match including the source, date paid/provided, amount, whether the match is an allowable expense and whether the % of match provided is sufficient. **Label as Exhibit 6.**

I. Technical Assistance

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

J. 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:
 - a. all findings disclosed during the review
 - b. how the contractor will resolve any current findings
 - c. resolution of any prior findings
 - c. technical assistance
 - d. subsequent reviews
3. Open discussions should be encouraged at the meetings.
4. Maintain a record of the meeting in the work papers. **Label as Exhibit 7.**

K. Preparation of Work papers

1. Ensure that all work papers detail any and all issues, the authority applied/relied upon, and conclusion.
2. Prepare narrative detailing any and 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.

L. CAP Report

If there are no questioned/disallowed costs a Report will be issued via e-mail to the contractor at the end of the review. The Report should clearly identify all Findings and required Reimbursement Request adjustments. Necessary corrective actions including time frames should be identified in the Report. A copy of the Report is to be e-mailed to the FOTA Supervisor and to the FOTA Office Manager.

If there are questioned/disallowed costs requiring repayment of funds, then the Report is to be sent to the Contractor via Certified Mail. The Report must state that payment is payable to New York State Department of Labor and is to be sent to the Workforce Programs Manager 2 within the Bureau of Quality Assurance.

Label the CAP report as Exhibit 9.

Schedule of Exhibits

Exhibit 1	Comparison of Actual Expenses 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 Outside Vendor Training
Exhibit 5	Schedule of In-House Staff Training
Exhibit 6	Analysis of Match Requirement
Exhibit 7	Exit Conference
Exhibit 8	Monitor's Narrative
Exhibit 9	CAP Report