



**WORKFORCE DEVELOPMENT  
BOARD OF MADERA COUNTY**

**FISCAL/PROGRAM MONITORING POLICY**

EDD Revision Date: 4/10/01

WIB Review Date: 6/21/07; 12/17/15

**EXECUTIVE SUMMARY:**

**Purpose:**

This document establishes the Workforce Development Board of Madera County's (WDB) policy on the oversight responsibilities regarding the Workforce Innovation and Opportunity Act (WIOA) and provides instructions for the development of subrecipient monitoring plans and guidelines.

**Scope:**

The standards in this policy apply to all WIOA subrecipients.

**Effective Date:**

This policy is effective on the date of approval by the Workforce Development Board of Madera County, pending release of new State guidance.

**REFERENCES:**

*Note: References from WIOA are from the Act, as signed into law in July 2014. References from Title 20 of the Code of Federal Regulations (CFR) are cited from the Notice of Proposed Rulemaking, and are therefore subject to change pending issuance of final Federal Regulations.*

- WIOA Section 184(a)(4)
- 20 CFR 683.215; 683.220; 683.400; 683.410; 683.420
- Title 2 OMB CFR 200.330 – 200.332

**STATE-IMPOSED REQUIREMENTS:**

This document may contain State-imposed requirements. These requirements are in ***bold, italic*** print.

**FILING INSTRUCTIONS:**

This policy implements the requirements of the new CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and WIOA

**BACKGROUND:**

As outlined in WIOA section 184, each State (including the Governor of the State), local area (including the chief local elected official (CLEO)), and provider receiving funds under this title shall comply with the appropriate uniform administrative requirements for grants and agreements applicable for the type of entity receiving the funds, as promulgated in circulars or rules of the Office of Management and Budget.

The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity.

**DEFINITIONS:**

*Subrecipients.* A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. See §200.92 Subaward. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- (1) Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met;
- (3) Has responsibility for programmatic decision making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

*Contractors.* A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Contractor includes entities that the Act refers to as "vendors." Additionally, it is important to note that contractors are not subrecipients. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;

- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

## **POLICY AND PROCEDURES**

Title 20 CFR section 683.410 defines the rules and areas in which oversight must be conducted by the recipients and subrecipients, including ensuring compliance with relevant rules and developing a monitoring system. Proposed paragraph (b) of this section also discusses a number of requirements for States' monitoring systems and the Governor's biannual certification. The Department has always placed significant emphasis on monitoring as a tool in providing effective grants managements and this emphasis is further supported by the inclusion of monitoring the Uniform Guidance. Monitoring and oversight also helps in identifying technical assistance needs, areas for improvement, and best practices.

The oversight roles and responsibilities of recipients and subrecipients of WIOA are as follows:

Each recipient and subrecipient of funds under WIOA must conduct regular oversight and monitoring of its WIOA and those of its subrecipients and contractors as required under WIOA , as well as under 2 CFR part 200, including 2 CFR 200.327, 200.328, 200.330, 200.331, and Department exceptions at 2 CFR part 2900, in order to determine the following:

1. Identify procedures for monitoring of all subrecipients at least once each program year.
2. Require that the onsite review of each subrecipient is both fiscal and programmatic. If the subrecipient's administrative office/fiscal department is separately located at an inaccessible site (i.e., out-of-state or not within a reasonable commute outside of the workforce investment area), the WIOA administrative entity must require that copies of fiscal records of a sufficient nature and sample size are sent to the subrecipient's local office or directly to the WIOA administrative entity for review.
3. Determine expenditures have been made against the proper cost categories and within the cost limitations specified in the WIOA.
4. Require that monitoring of subrecipients follow a standardized review methodology that will result in written reports which record findings, any needed corrective actions, and due dates for the accomplishment of corrective actions.
5. Require systematic follow-up to ensure that necessary corrective action has been taken.

6. Identify procedures for the oversight of the One-Stop delivery system.
7. Describe procedures to assure that the procurement, receipt, and payment for goods and services received from vendors, including on-the-job training employers, are in accordance with laws, regulations, and the provisions of contracts or agreements. While contractors are not subject to the scope of the monitoring requirements for subrecipients, LWDA's are responsible for ensuring compliance regarding contractor transactions. The procurement of goods and services from contractors must comply with Federal and State requirements.
8. Require that a system is in place to ensure that the LWDA and its subrecipients are in compliance with the nondiscrimination, disability, and equal opportunity requirements of section 188 of WIOA, including the Assistive Technology Act of 1998 (29 U.S.C. 3003)
9. Require that all written reports and other documentation pertaining to monitoring and other oversight activities must be made available for review by Federal and State officials.
10. Require that reports and other records of monitoring activities must be retained for three years from the date of submission of the final expenditure reports regarding the funding sources monitored. If any litigation, claim, audit or other action involving the records has been started before the expiration of the three-year period, the records must be retained until completion and resolution of all such actions or until the end of the three-year period, whichever is later.

**ACTION:**

The actions specified by this policy shall be carried out by the organizations and individuals specified herein.

**INQUIRIES:**

If you have questions, please contact the Executive Director or Fiscal Manager at (559) 662-4500.