



Workforce Snohomish Monitoring Policy

Policy Number: 2260

Effective Date: 1/23/2024

A. BACKGROUND

To establish monitoring standards for subrecipients of all funding streams provided by Workforce Snohomish (WFS). Project monitoring activities will be conducted as necessary to ensure that Subawards are used for authorized purposes, in compliance with Federal statutes, regulations, Washington State Laws, and the terms and conditions of the Subaward; and that Subaward performance goals are achieved. WFS has an interest and responsibility in monitoring the Subrecipient's performance as unsatisfactory performance may jeopardize the participants and future funding for this project and/or the entire program.

B. POLICY

Federal and State funding administered by WFS requires a monitoring system that provides regular oversight of each subrecipient and their funded activities. Monitoring must ensure compliance with applicable requirements and that performance expectations are achieved. Regulations also require WFS to continuously monitor grant-supported activities in accordance with uniform administrative requirements, the grant requirements and OMB 2 CFR Part 200.

- 1) WFS will conduct monitoring of each subrecipient on a regular, likely annual, basis for all Title I funded contracts. Subrecipients contracted through other funding sources will be monitored in accordance with the funding requirements.
- 2) WFS executes contracts with subrecipients that establish clear performance goals and financial obligations. These programmatic and financial terms will be monitored to ensure accountability.
- 3) WFS will evaluate subrecipient risk of non-compliance with Federal statutes, regulations, and the terms and conditions incorporated in the contract. Determining risk factors could include, but not limited to:
 - a. Prior experience with similar contracts.
 - b. The results of previous audits and/or monitoring and the extent to which the same or similar contract has been reviewed.
 - c. New personnel and/or new or substantially changed systems.
 - d. Budget amount in relation to the grant budget.
- 4) WFS takes prompt and appropriate corrective action upon becoming aware of any evidence of violation of federal or state associated regulations, state provisions, WFS policy, or subrecipient agreement.
- 5) WFS will provide technical assistance as necessary to meet federal and state standards or to meet contractual obligations.
- 6) Based on the risk assessment, WFS may or may not perform an on-site review, unless as otherwise required per grant agreement.
- 7) It is a requirement that the subrecipient permit WFS to have access to records, financial statements, facilities, staff, and participants.



8) At the discretion of WFS monitoring staff, pieces or all the review may be done remotely.

C. PROCEDURES

WFS will review program, fiscal and Equal Opportunity (EO) simultaneously, when possible. Monitoring activities will help identify and address potential weaknesses before substandard performance or questioned costs occur. The specific monitoring tasks and related procedures conducted by WFS to fulfill its responsibilities include but are not limited to the following:

- Review of previous subrecipient monitoring reports.
- A thorough review of invoices and supporting documents submitted by the subrecipient to assure that expenditures are appropriately charged against cost categories and within cost limitations, including proper indirect and management fee charges, where applicable.
- Providers are responsible for maintaining a fiscal management system that will support the federal and program requirements. General ledger and payroll systems must have the ability to segregate program costs and document time and effort adequately, within a system of proper internal controls.
- A thorough review of a selected sampling of financial records and source documents, i.e., invoices, receipts, vouchers, cancelled checks, time sheets, etc.
- A description of financial management/accounting system or software used.
- A review of internal controls, including but not limited to cash management, proper documentation, separation of duties, methods of determining allowability of direct and indirect costs, providing participant supportive services, or personnel management.
- Review of EO compliance using the process outlined in the WIOA EO and Nondiscrimination Monitoring guide. Review could include but not limited to, signed participant notification, grievance procedures, walk through of facility, staff and participant interview, or medical information storage.
- Review of documents or other publications that describe a project or program to ensure compliance of the inclusion of specific language acknowledging federal funding when publicly communicating as outlined in the Stevens Amendment.
- A thorough review of participant records, i.e., electronic participant files including eligibility, training, and case note documentation. Staff will review for completeness, accuracy, and internal consistency of documentation.
- Review of participant services and support payments provided. Ensure appropriate documentation is available in participant file to determine eligibility and allowability according to contract, regulations, or policy.
- If applicable, a review of previous year's findings or issues to ensure corrective action was taken.



- Review of performance outcomes and contract deliverables. Review includes planned versus actual performance and equity in service delivery.
- Comparison of actual accomplishments to the objectives of the federal award established for the period.
- Reasons why established goals were not met.
- Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.
- Review with the subrecipient at time of monitoring, any exceptions, issues, or lack of internal controls found during review.

Report

Upon completion of the monitoring, WFS will issue an Initial Report outlining any exceptions, issues, concerns, observations, or unanswered questions. The subrecipient has the opportunity to have questions answered, provide feedback, correct exceptions, issues, or concerns within an allotted time period. A Final Monitoring Report will be issued with any unresolved exceptions, issues, concerns, or unanswered questions. If after the final response from the subrecipient there are still unresolved exceptions, issues, or concerns, a resolution plan will be implemented to ensure compliance and follow through. The resolution plan could include but not limited to corrective action plan, improvement plan, additional time for corrections, or technical assistance from WFS.

Equal Opportunity Monitoring

WFS will conduct EO monitoring either as a part of the whole monitoring process or as a separate process. WFS will email EO Monitoring Report to the Subrecipient for review. When areas of non-compliance remain, the monitoring report will list the specific issue and provide corrective action(s) to be taken. The Local EO Officer is available to provide technical assistance regarding compliance. WFS will issue a closeout email to the Subrecipient once any necessary changes have been made.

D. DEFINITIONS

Contract – WFS defines a contract in accordance with OMB 2 CFR 200.22, which states, in part, that “Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.”

Corrective Action Plan – a plan written by WFS Program Manager to subrecipient when a subrecipient is behind in spending, below targets for performance, there are continuous data entry and/or program eligibility errors, disallowed costs, lack of adequate internal control processes, EO noncompliance, or other issues identified by WFS. Plan will outline corrective action and steps taken by subrecipient to comply. Failed corrective action could result in loss of contract and/or funding. WFS can issue corrective action at any time during the contract period.

Daily Observation Report (DOR) – An optional monitoring tool WFS may use to document and communicate progress with subrecipient. The DOR includes all observations from that day: noted practices, items to address, briefing of other items found throughout the day including any recommendations, allowable cost activity discussions throughout the day including any questioned costs or disallowed costs, items that were resolved on site, or no



issues identified.

Disallowed Costs - Identified during monitoring and included in the Initial Daily Observation Report and Final Monitoring Report. In addition, disallowed costs above \$25,000 are also identified as a Finding in the Monitoring Report. Disallowed Costs include any expenses of WIOA grant or contract funds that are determined to be unallowable, unallocable, or unreasonable based upon federal or state law or regulations.

Levels of Risk – All subrecipients of WFS are measured against the current risk assessment tool prior to first contract and at each monitoring checkpoint. According to score, risk levels can be “high”, “medium” or “low”. These results will influence WFS’s ability to initiate a contract, decide on a monitoring level and determine monitoring sample sizes.

Management Information System (MIS) – An Internet based Case Management System is the primary system used to document services in accordance with state and/or WFS policy and procedures.

Nondiscrimination Plan (NDP) - a document that describes to USDOL how Washington’s WorkSource system will provide workforce development programs and services in a manner which ensures EO and nondiscrimination. The NDP consists of nine elements: state-level and local EO Officers, notice and communication, assurances, affirmative outreach, disability requirements, data collection, monitoring for compliance, discrimination complaint process, corrective actions and sanctions.

Questioned Costs - Costs questioned by the monitor as being unallowable, unallocable or unreasonable. Questioned costs are costs which are unallowable from a violation of a statute, regulation, or the terms and conditions of a Federal or state award, are not allocable based on documentation, or appear unreasonable and do not reflect the actions a prudent person would take. Questioned costs will be resolved by being determined to have been allowable, allocable and reasonable or are determined to be unallowable, unallocable or unreasonable will be disallowed.

Subrecipient – WFS defines subrecipient in accordance with OMB 2CFR 200.330, which identifies a subrecipient as an entity receiving a portion of a federal award that creates a federal assistance relationship and is responsible for listed tasks and determinations within the provision of services to the public.

Technical Assistance - To identify areas for improvement in the program and in recipient and sub-recipient operations during monitoring and compliance review visits. May include assistance in developing a performance improvement plan.

Special Provisions – Items included in subaward agreement outlining specific items that need to be addressed in order for the subrecipient to meet compliance, outcome, fiscal or other aspects of the project.



E. REFERENCES:

- [State Policy No. 5414 Rev 1](#)
- [State Policy No. 5402 Rev 3](#)
- [Workforce Snohomish Policy No. 1080-4](#)
- [WFS's Property Management and Inventory Procedure](#)
- [Workforce Professionals Center - Equal Opportunity Compliance \(wa.gov\)](#)
- [ESD WIOA Policy 5414 R1 – WIOA Title 1 Monitoring](#)
- [Department of Labor 29 CFR 95](#)
- [Office of Management & Budget \(OMB\) Administrative Requirements 2 CFR 200](#)
- [US Department of Labor TEGL 2-12](#)