

Policy Name:	Onondaga (LWDB) Subrecipient Monitoring Policy
Date Approved:	8/26/22
Last Date Modified:	9/20/17
Owner:	Finance Team
Review Date:	4/20/22

Policy:

In accordance with the Workforce Innovation and Opportunity Act (WIOA), Local Workforce Development Boards (LWDBs) are required to perform remote and/or onsite Financial, Program, and Performance oversight and subrecipient monitoring of WIOA programs and the One-Stop Career Center System in their respective Local Workforce Development Areas (LWDAs). LWDBs, in partnership with the Chief Elected Officials (CEOs), or the CEOs fiscal agent, must conduct remote and/or onsite subrecipient monitoring of WIOA programs and the One-Stop Career Center System in their LWDAs. LWDBs will work with the CEOs or the CEO’s designated fiscal agent, to ensure quality program activities are provided, verify fiscal integrity and compliance, and help the subrecipient meet performance targets.

In accordance with Contract Management Procedures, paragraph three (3), all contracts with third parties will be evaluated to determine if the service provider should be considered a subrecipient or a contractor (formerly known as “vendor”) for the purposes of invoking monitoring requirements. A subrecipient is a “non-federal organization that receives funds indirectly via a “pass through” entity to carry out part of a federal program” as defined by New York State Department of Labor (NYSDOL) Technical Advisory (TA) No. 21-05 (6-25-21). (Reference NYSDOL TA No. 21-05 Attachment B 1 – “Identification of Subrecipients” for full description, definitions and circumstances when monitoring of an entity determined to be a contractor is required.)

The Subrecipient/Contractor Determination Checklist (Attachment A) will be used to document the determination of the classification of the service provider. If the provider is a subrecipient the following policy will apply.

1. The subrecipient will be the contracted entity that will be providing services in accordance with the grant requirements and Contract Management procedures. The subrecipient should not be allowed to subcontract to other entities without the express consent of CNY Works, Inc.
2. The monitoring plan will include, but is not limited to, the following topics:
 - a. Fiscal Topics
 - i. Procurement (Biennial)
 - ii. Property Management (Biennial)
 - iii. Financial Management/Cost Allocation (Annual)
 - iv. Single Audit Determination Requirements and Corrective Action(s) Status
 - v. Budgeted Expenses vs. Actual Expenses
 - vi. Desk Reviews (Monthly)

- b. Programmatic Topics
 - i. Eligibility Review
 - ii. Performance Requirements and Service Delivery
 - c. Performance Topics
 - i. Performance Measures (In relation to the contract.)
3. The monitoring plan requires monitoring of fiscal topics at least annually, except for Procurement and Property Management which are biennial (every two years). (NOTE: Monthly Desk Reviews are to be completed for all subrecipients.) Programmatic and performance topics are to be monitored at least quarterly after the execution of the contract. The monitoring schedule will be determined as appropriate for the contractor's circumstances warranted and tracked on a Subrecipient Single Audit Tracking spreadsheet.
 4. The monitoring will be performed by Finance Team personnel deemed to be the most qualified to carry out a thorough, independent review. The fiscal monitoring will be performed by the Chief Financial Officer (CFO) or a CFO-appointed Finance Team representative. The programmatic and performance monitoring will be conducted by the program manager of the applicable program area.
 5. The monitoring of all topic areas will be performed subject to a standardized written monitoring work program but modified as appropriate for the entity being monitored. As a guide, reviewer will refer to NYSDOL TA No. 21-05 and, specifically, the Financial Management Review Guide for the contracted service providers, as updated in December 2019. (NOTE: Reference Section A for specific procedural guidance.)
 6. A copy of the most recent Single Audit Report will be reviewed as part of the Risk Assessment procedures. If the contract extends to the next fiscal year, the most current Single Audit Report should be reviewed as soon as possible once accepted by the Federal Audit Clearinghouse (FAC) with any internal control deficiencies requiring further discussion with management. Evidence should be obtained to indicate the deficiency is either being or has been addressed, and the deficiency is not considered to materially affect the ability of the subrecipient to perform its contracted obligations under the grant. If there are significant deficiencies or material weaknesses which affect the award, a management decision should be issued within six (6) months of acceptance by FAC. If the subrecipient does not have a single audit, evidence should be obtained to indicate that they are exempt.
 7. A written report outlining the result of the programmatic and fiscal monitoring reviews will be issued to the subrecipient with 30 days upon completion of the monitoring review. If there are findings cited in the written report, the subrecipient is required to provide a corrective action plan within 45 days from the date the written report is received. Corrective action plan due dates will be monitored and progress as to the resolution of the finding will be documented as well as the completion status. The written reports and documentation pertaining to monitoring activities will be retained in the subrecipient file and will be made available for review by Federal and State officials.

8. Programmatic and fiscal monitoring reports are to be sent to the Audit Committee and Board Directors upon their respective completion and will be distributed as follows in accordance with NYSDOL TA No. 21-05:
 - The Agency being reviewed (Subrecipient).
 - CNY Works, Inc. Board Chair
 - CNY Works, Inc. Executive Director
 - NYSDOL Financial Oversight and Technical Assistance (FOTA) and Program Representatives
 - Grant Recipient CEO (and Subrecipient CEO if the report is for the Subrecipient's CEO's County.)
9. If a finding is made whereby, it may have a material impact on CNY Works, Inc.'s financial reports, that may materially impact CNY Works, Inc.'s ability to meet established program performance measures or represents a substantial violation of the Workforce Innovation and Opportunity Act (WIOA) statutory and regulatory requirements, such information will be disclosed to NYSDOL immediately after the facts are known.
10. Technical assistance will be provided to the subrecipient via the CNY Works, Inc. Chief Financial Officer or respective Adult Workforce Services Manager, Youth Workforce Services Manager, or other CNY Works Career Center Director or Manager supporting programmatic activities. Any further expertise will be provided by the NYSDOL Quality Assurance (FOTA Program) Team and relayed to the subrecipient if deemed necessary or as stated in the Service Contract.
11. Records must be kept for the specified period outlined in the contract in accordance with the Record Retention Policy (Reference NYSDOL TA No. 16-2 Retention of Records by Local Workforce Development Boards (3-18-16)). Discuss with the subrecipient their procedures for retaining documents and determine if they are working adequately to ensure compliance.

Attachment A: Subrecipient/Contractor Determination Checklist

**ONONDAGA (LWDB) SUBRECIPIENT MONITORING POLICY: ATTACHMENT A
SUBRECIPIENT/CONTRACTOR DETERMINATION CHECKLIST**

SERVICE PROVIDER NAME:			
SERVICE PROVIDER CONTRACT NUMBER:			
Will the contracted provider do the following?			
QUESTIONS		ANSWER	
		YES	NO
1	Determine who is eligible for program services?		
2	Have its performance measured against whether the objectives of the Federal program have been met?		
3	Have responsibility for programmatic decision-making?		
4	Have responsibility for adherence to the applicable Federal program compliance requirements		
5	Use Federal funds to carry out a program of the organization as compared to providing goods and services for a program of CNY Works?		
NOTE: If "YES" to these questions, the provider is probably a subrecipient. The contract language should include requirements related to monitoring. (Reference 2 CFR 200, Subpart F)			
In contrast to the above, also consider if the contracted provider will do the following:			
QUESTIONS		ANSWER	
		YES	NO
1	Provide the goods or services within normal business operations?		
2	Provide similar goods or services to many different purchasers?		
3	Normally operates in a competitive environment?		
4	Provide goods or services that are ancillary to the operation of the program?		
5	Is not subject to the Federal compliance of the program?		
NOTE: If "YES" to these questions, the provider is probably a contractor.			
ADDITIONAL GUIDANCE			
In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.			
JUSTIFICATION CONCLUSION			
CONCLUDED BY:			
DATE:			