



Category/Subject: Internal and Sub-Recipient Monitoring
Colorado Policy Guidance Letter#: ADM-2019-07
Revise/Replace PGL#: ADM-2001-01
Date: October 14, 2019
Distribution: CDLE Management/Finance, State/Local Workforce Directors & Staff, Partners

Changes from Comment Period Are Yellow-Highlighted

I. REFERENCES:

- Title I of the Workforce Innovation and Opportunity Act (WIOA) PL 113-128 – July 22, 2014; Section 107(d) and Sections 183-185
- WIOA Final Regulations at 20 Code of Federal Regulations (CFR), sections 683.400-440, 683.600-650, 683.700-750, and 683.800-850
- Office of Management and Budget Uniform Guidance at 2 CFR Part 200
- [PGL ADM-2019-06: Performance and Compliance Review Process](#)
- [PGL WIOA-2015-04: Local Workforce Development Board Policies](#)
- [PGL FIN-2015-01: Revised Audit and Debt Collection Procedures](#)
- [USDOL Core Monitoring Guide](#)
- [USDOL WIOA Youth Monitoring Supplement](#)

II. PURPOSE:

- To provide guidance and policy direction to local Workforce Boards and Local Workforce Areas to establish and implement an internal and sub-recipient monitoring system
- **To provide guidelines for the development of local internal and sub-recipient monitoring policies and procedures, a draft of which is due to the appropriate Regional Liaison within 90 days of receipt of this PGL.**

III. BACKGROUND:

A. Recipient and Sub-recipient Monitoring Responsibilities

WIOA Final Rule §683.410 states that each recipient and sub-recipient of funds under Title I of WIOA and under the Wagner-Peyser Act must conduct regular oversight and monitoring of its WIOA and Wagner-Peyser Act program(s) and those of its sub-recipients and contractors in order to:

- (1) Determine that expenditures have been made against the cost categories and within the cost limitations specified in the Act and the regulations;
- (2) Determine whether or not there is compliance with other provisions of the Act and the WIOA regulations and other applicable laws and regulations; and
- (3) Provide technical assistance as necessary and appropriate.

B. Local Board Program Oversight Responsibilities

WIOA Section 107 defines a key function of the local workforce development board as follows: “The local board, in partnership with the chief elected officials for the local area, shall—

- 1) Conduct oversight for local youth workforce development activities authorized under WIOA, local employment and training activities authorized for adults and dislocated workers, and the one-stop delivery system in the local area;
- 2) Ensure the appropriate use and management of the funds for workforce development activities; and
- 3) Ensure the appropriate use, management, and investment of funds to maximize performance outcomes under WIOA.”

C. Definitions:

- (1) **Sub-recipient** - Per the Office of Management and Budget (OMB) 2 Code of Federal Regulations (CFR) 200.300, a “Subrecipient” is an entity receiving a portion of a Federal award that creates a Federal assistance relationship and is responsible for tasks and determinations within the provision of services to the public. Sub-recipients include, but are not limited to:
 - Local areas
 - Organizations receiving funds from local areas to deliver WIOA services
 - One-Stop operators, as defined in WIOA section 121(d)
- (2) **Contractor** - Per OMB 2 CFR 200.22, a “Contract” means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the program under a Federal award. Examples of contractors include, but are not limited to:
 - Janitorial services
 - Printing services
 - Staff training services

This PGL applies to internal monitoring and the monitoring of sub-recipients rather than the monitoring of contractors; **it also applies to all grants issued to local areas under the WDP Grant Agreement.**

IV. POLICY/ACTION:

A. General Requirements:

- (1) Internal and sub-recipient monitoring is a process that must be implemented to measure progress, identify areas of potential non-compliance, offer opportunities for technical assistance to help resolve issues, and ensure that Federal funds are used in a responsible manner. These reviews can be conducted by staff or outside entities. However, having staff involved in the monitoring process and working in accordance with clearly defined policies and procedures is important, so that they are engaged in work that identifies issues, investigates their conditions and causes, and problem-solves to develop resolutions before they become compliance issues identified by state or federal monitors.
- (2) Local workforce development boards have program and fiscal oversight responsibility that relies on reports from workforce center staff, independent

auditors, and state and federal monitors. In order to support this board function, systematic and periodic reports of any significant issues or accomplishments uncovered through internal and sub-recipient monitoring must become part of the reports or dashboards that are provided to board members. This data can inform board decisions at both the strategic and operational levels and assist with directing resources to address changes that are critical to program success.

B. Scope of Monitoring:

In order to comply with WIOA Final Rule §683.410, each local area must conduct internal and sub-recipient monitoring at least annually to review the following areas:

- 1) Administrative/Governance – to include:
 - Board membership; functions; minutes
 - Regional/local plans
 - Sub-recipient contracts
 - MOUs and partnerships
 - Policies and procedures
- 2) Financial – to include:
 - Financial transactions
 - Allowable costs
 - Internal controls
 - Property management
 - Procurement/purchasing
 - Cost allocation/infrastructure cost sharing
 - Records retention
 - Timely reporting
 - Policies and procedures
- 3) Management Information Systems (MIS) – to include:
 - Case file documentation
 - Connecting Colorado records
 - Eligibility
 - Data Validation requirements
 - Allowable activities
 - Participation cycle requirements
 - Timely data entry/reporting
- 4) Programs and Discretionary Grants - to include:
 - Performance outcomes
 - Expenditure levels
 - Program/grant specific requirements (ex: youth program elements; grant funding provisions)
 - Progress with workbased learning, sector strategies, and career pathways

NOTE: Not all items will apply to all sub-recipients. The provisions and statements of work within the contract with the sub-recipient will serve to identify which areas must be reviewed.

C. Local Internal and Sub-recipient Monitoring Policy/Procedures Requirements

Local policies and procedures must include the following elements:

- 1) Requirement to conduct internal and sub-recipient monitoring
- 2) Requirement to report results to the local workforce development board
- 3) Identification of who is responsible to conduct the monitoring and preparing reports
- 4) Monitoring methods and procedures
- 5) Monitoring instruments, checklists, etc.
- 6) Monitoring schedule and frequency
- 7) Monitoring report format, schedule for completion of reports, and process for reporting to the local board
- 8) Retention of monitoring documentation

NOTE: Although annual monitoring is the minimum requirement, CDLE recommends an ongoing case file quality control process that includes review of all the MIS items listed above. This allows for technical assistance and staff training to address issues as they occur.

NOTE: Local areas are encouraged to review the PGLs and USDOL monitoring guides listed in the References section of this PGL. These provide comprehensive monitoring processes and monitoring instruments that can be adapted for local internal and sub-recipient monitoring policies and procedures.

V. IMPLEMENTATION DATE:

Upon receipt of this PGL. **Draft local internal and sub-recipient monitoring policies and procedures are due to the appropriate Regional Liaison no later than 90 days after the receipt of this PGL.**

VI. INQUIRIES:

If you have any questions regarding this PGL, please contact your Regional Liaison at Workforce Development Programs.



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ATTACHMENTS: N/A