



**Workforce  
Development  
Council**

## **Benton-Franklin Workforce Development Council (BF-WDC) Workforce Innovation and Opportunity Act (WIOA)**

**Subject: Sub-Recipient Monitoring Policy**  
**Policy No: 2015-56**  
**Effective Date: 5/30/2017**

### **SUB-RECIPIENT MONITORING –POLICY**

The Benton Franklin Workforce Development Council (BFWDC) follows guidance provided in the WIOA Policy #5250 “Subrecipient/Contractor and Pass-Through Entity Determination Requirements” and the Uniform Guidance provided in 2 CFR 200 Subpart D – Subrecipient Monitoring and Management.

[http://www.wa.gov/esd/1stop/policies/documents/wioa\\_title1/5250\\_SubrecipientContractorandPass-throughEntityDeterminationRequirements\\_Final.pdf](http://www.wa.gov/esd/1stop/policies/documents/wioa_title1/5250_SubrecipientContractorandPass-throughEntityDeterminationRequirements_Final.pdf)

### **SUB-RECIPIENT MONITORING –PROCEDURES**

*MONITORING PROCESS (See flowchart, Attachment A)*

#### **Entrance Interview**

Monitoring Lead coordinates/facilitates:

- Entrance Interview date and prepares Entrance Letter to contact person identified in contract
- Entrance Interview:
  - Discuss monitoring tool (i.e. completion schedule, hard copy vs. electronic, etc.)
  - Set up time for Fiscal on-site visit to monitor contractor’s overall fiscal operations
  - Explain the basic areas to be monitored/answer contractor questions about process

Program Monitoring  
*(See attachment B)*

Fiscal Monitoring  
*(See attachment C)*

#### **Schedule Exit Interview & Issue Preliminary Report for Contractor Comment**

Lead will compile completed Preliminary Report for contractor comment consisting of:  
Email correspondence and summary (Compiled by Lead)  
Program/Fiscal monitoring sections (Compiled by Lead)  
Final page with “respond within 30 day” verbiage and signature lines  
Lead will coordinate and facilitate Exit Interview

Issue Preliminary Report, discuss findings, and answer questions on site  
Technical assistance will be provided in real time

### **WDC Management Review**

Review is done by any or all of the following: Executive Director, Accounting Manager, Programs Manager, Programs Coordinators, and the BF WDC Board Chair depending on the nature and severity of issues found

### **30-Day Contractor Response Time**

Lead will track 30-day Contractor response time

### **BF-WDC Review & Determination of Contractor's Response**

BF-WDC review of Contractor response to all issues identified in report and determination as to whether the finding is resolved or needs further corrective actions

### **Contractor in Agreement with Findings**

#### *Non-Monetary Findings*

Email correspondence and summary

Final report is sent to Contractor, e-mailed to State, and filed in Monitoring Book

### **Contractor Not In Agreement With Findings**

#### *Monetary Findings*

Final report is sent to Contractor and e-mailed to State

Implement/Resolve any Debt Collection

If disallowed costs cannot be recovered by the above procedures or if the contractor is in disagreement with the BF-WDC Management determination regarding disallowed costs the local Debt Collection process will be implemented after all other opportunities for appeal, request for waiver or offset have been exhausted.

#### Collection or Discharge of Debt

Follow up report and debt collection documentation showing resolution e-mailed to State and filed in Monitoring Book

#### *Non-Monetary Findings*

Final report is mailed to Contractor and e-mailed to State

BF-WDC takes actions as outlined in contract and local policies to resolve issues

Resolution of issues

Follow up report documenting resolution of issues sent to Contractor, e-mailed to State, and filed in Monitoring Book

## **POLICY HISTORY**

Established: June 2003

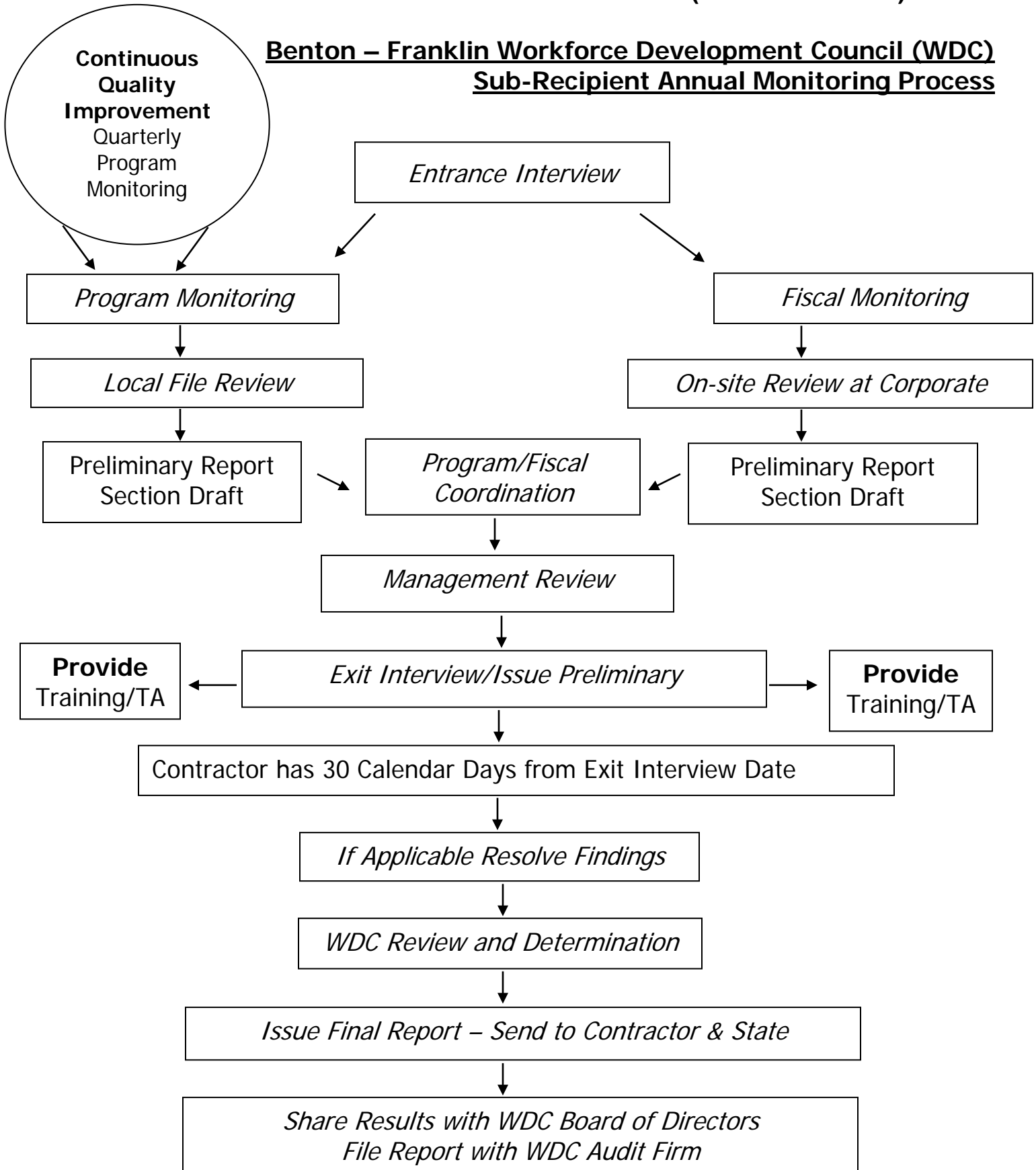
Revised: January 2004, April 2006

Revised: May 17, 2016

Revised: May 30, 2017

## FLOWCHART OF MONITORING PROCESS (ATTACHMENT A)

### Benton – Franklin Workforce Development Council (WDC) Sub-Recipient Annual Monitoring Process



## CONTINUOUS QUALITY IMPROVEMENT (CQI) PROCESS - PROGRAM

Approximately a decade ago, the Benton-Franklin Workforce Development Council (BFWDC) adopted a Continuous Quality Improvement (CQI) monitoring process, which means that we informally monitor our contractor on a quarterly basis. A formal annual monitoring takes place as described in this policy annually. The purpose of the CQI process is to spot trends early and provide comment and/or technical assistance to our sub-recipient real time.

The informal CQI process conducted by BFWDC program staff consists of a review of a sample of all active files for all programs once each quarter. The monitoring information is inserted into an excel worksheet. The document is then e-mailed to the contractor for response. Once the contractor has responded, the BFWDC program monitor will e-mail back the worksheet to the contractor noting items have been repaired and are completed.

Since this is an informal process, there is no formal notification to the contractor of the CQI taking place, and no formal CQI report issued on a quarterly basis. However, the three previous CQI monitoring quarters are attached to the annual monitoring quarter to comprise a total 10% sampling during a calendar year.

## FISCAL MONITORING PROCESS

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A. Objectives:

1. Review the existence and adequacy of internal controls and the reliability of the subrecipient's financial management systems as they relate to current contacts with BFWDC, ensuring the subrecipient meets their fiscal requirements.
2. Ensure that amounts reported as expenses as part of requests for the subrecipient's contractual requests for reimbursement are reasonable, accurate, allowable, properly allocated, and supported by appropriate documentation.

B. Procedure:

1. Request the following information from the subrecipient prior to the on-site monitoring visit:
  - Answers to BFWDC Fiscal Monitoring Tool questionnaire.
  - A copy of the following documents, in their most recently prepared and/or approved form:
    - Chart of Accounts
    - Cost Allocation Plan
    - Check Register
    - Payroll Register
    - Distribution Code List
    - Employee Handbook
    - Financial Management Policies and Procedures
    - Detailed General Ledger for each program
    - Financial Statements for the last month of the review period
  - Detailed General Ledger transaction report showing the type and amount of Program expenses for which funds from BFWDC have been received by subrecipient during the review period. These expense records should be separated by Program, and within each Program, there should be separate worksheets for payroll expenses, overhead expenses, and participant expenses (or similar divisions related to the Program's budget). The records in these worksheets should at least be sorted by:
    - Effective date (in ascending order); and,
    - GL code(s) associated with each expense
2. Based on this GL report, certain transaction records will be requested ahead of time for review on site. If needed, other records may also be requested during the on-site review.
3. During the on-site visit, meeting(s) may also be requested with primary fiscal staff and others, as appropriate, to review, discuss and obtain additional information relating to the above fiscal monitoring objectives, discuss the monitoring process, and identify and review selected transaction records and/or other documents.