

Core Monitoring Guide with the Formula Grant Supplement

April 2012

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**UNITED STATES DEPARTMENT OF LABOR
EMPLOYMENT AND TRAINING ADMINISTRATION**

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Employment and Training Administration

CORE MONITORING GUIDE WITH THE FORMULA GRANT SUPPLEMENT

PREFACE

This *Core Monitoring Guide* with the FORMULA GRANT SUPPLEMENT is a tool Federal Project Officers (FPOs) can use to monitor formula grants. It enables FPOs to assess the extent to which formula grant funds are used to provide high-quality, outcome-focused workforce development services in a fully integrated service environment, consistent with the Employment and Training Administration's (ETA) articulated vision. ETA-funded formula grants provide the resources necessary for ETA's vision to be achieved.

This *Core Monitoring Guide* with the FORMULA GRANT SUPPLEMENT provides a consistent framework and starting point for ETA's on-site grant monitoring responsibilities related to formula grants. It continues progress ETA has made to coordinate and improve the consistency of oversight while relying on and providing opportunities for FPOs to bring their own professional judgments and experience to the process.

This document is the outcome of many different individuals and offices within ETA working together to produce the best possible product to meet a diverse set of needs. The guide is intended to be continually reviewed and updated based on experience, practice, and changing requirements.

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GENERAL INSTRUCTIONS

INTRODUCTION

This *Core Monitoring Guide* with the FORMULA GRANT SUPPLEMENT provides guidance for Federal reviews of grants for programs and services authorized under the Workforce Investment Act (WIA) and the Wagner-Peyser Act which are provided to grantees on the basis of a prescribed formula. It supplements monitoring guidance presented in the *Core Monitoring Guide* ETA issued in April 2005. Because the review objectives and indicators contained in the *Core Monitoring Guide* also apply to formula grant reviews under WIA and Wagner-Peyser, and provide a broader context for formula grant reviews, new guidance for formula grants is presented as additions to the existing review objectives, indicators and FPO guidance already contained in the *Core Monitoring Guide*.

This *Core Monitoring Guide* with the FORMULA GRANT SUPPLEMENT expands the library of resources and tools FPOs have available to use during review of ETA formula funded grant programs. It adds new review objectives, indicators and FPO guidance that are specific to the needs of WIA and Wagner-Peyser Act formula grant reviews. The FORMULA GRANT SUPPLEMENT is structured so that all content unique to a review of formula grants is separated from existing *Core Monitoring Guide* content. Objectives and indicators which were not in the original *Core Monitoring Guide* are identified by the supplement in which they first appeared, which is either in this supplement or the *Financial Supplement*. Those which first appear in this supplement are identified as (New for Formula). New material relevant to formula grants in existing indicators have highlighted headers in this same color for identification. Some of the content that originated in the *Financial Supplement* is relevant to formula reviews but is intended to be used by fiscal staff. For example, Objectives 2.11 and 2.12 have indicators that have content **only** in the *Financial Supplement*. In this FORMULA GRANT SUPPLEMENT, the indicators are included, but have no content as the objectives were not included in the original *Core Monitoring Guide*.

This *Core Monitoring Guide* with the FORMULA GRANT SUPPLEMENT provides FPOs in ETA regional offices, as well as state and local level reviewers with an onsite monitoring tool tailored to the unique circumstances of WIA and Wagner-Peyser Act formula grant programs. This tool will help ensure that onsite monitoring of WIA and Wagner-Peyser Act formula grant programs is thorough, of high-quality and consistent nationally.

PURPOSES OF FORMULA GRANTS

In conjunction with its charge to ensure a skilled and competitive American workforce, ETA administers financial assistance that is provided to specific grantees on the basis of a formula prescribed in legislation or regulation. Generally, the formula used to determine the amount of financial assistance provided to grantees is based on factors such as population, unemployment rate, per capita income or similar factors.

WIA and the Wagner-Peyser Act provide formula grants to grantees for the purpose of establishing workforce investment systems suited to the needs of the 21st century economy. These workforce systems help to ensure better jobs, higher pay and clearer career pathways for American workers. Broadly, ETA's national goals for workforce investment systems are to:

- Realize the benefits of integrated and flexible workforce systems as envisioned under WIA,
- Promote regional business growth and economic development while recognizing the important role small businesses play in regional economies,

- Improve services to target populations, including out-of-school youth and veterans,
- Increase amounts available for and invested in training programs and opportunities to establish a workforce development system for an educated workforce,
- Improve program administration and performance through better workforce information, common performance measures, simplified administration, and enhanced flexibility provided through the use of waivers and workflex provisions of WIA,
- Expand use of the post-secondary education system while assuring a seamless transfer across education systems, and
- Strengthen partnerships with faith-based and community-based organizations.

REVIEW OBJECTIVES FOR FORMULA GRANTS

FPOs in ETA regional offices are responsible for conducting onsite reviews of formula grants. These onsite reviews encompass elements of progress evaluation, compliance monitoring and technical assistance. They seek to identify how effectively the state grantee's vision, strategies and policies are operationalized at the state and local levels. The results of these reviews provide the basis for making national and regional judgments about the effectiveness of workforce development systems and are used to drive decisions regarding technical assistance needs and opportunities. It is also an opportunity to identify best practices which can be shared with other Federal staff and grantees throughout the workforce system.

Formula grant reviews have seven principal objectives:

1. To assess the extent to which state grantees use formula grant funds to build a workforce investment system that responds demonstrably to the needs of the 21st century economy.
2. To evaluate how effectively state grantees use formula grant funds to address national priorities, including establishment of an integrated workforce service delivery system.
3. To determine how the state grantee uses formula grants to address defined strategic workforce needs, including the needs of special populations such as out-of-school youth and veterans, etc.
4. To assess the state grantee's performance against performance standards applicable to formula grants, including those specified in law or regulation.
5. To examine state grantee policies, procedures and actions to assure that they comply with important requirements specified in applicable laws, regulations, ETA policies, and state grantee strategic plans and other authoritative sources of formula grant requirements.
6. To determine that state grantee policies and procedures effectively assure that ETA grant funds are fully and accurately accounted for and reported and that assets under the grant are safeguarded.
7. To gauge the extent to which the state grantee preserves resources available for training through simplified program administration, elimination of unnecessary overhead costs and other efficiency or cost savings measures.

PREPARATION FOR ONSITE REVIEWS

Careful planning is essential for formula grant reviews to be effective. Prior to conducting the onsite review, the FPO should assemble and carefully examine materials directly relevant to the formula grant review. These documents may include:

- The complete grant agreement, taking special note of any special conditions and waivers,
- The currently approved state plan for WIA and the Wagner-Peyser Act , including all modifications to this plan,
- Organizational charts depicting WIA and Wagner-Peyser administrative structures, if not included in the state plan,
- An annual report,
- A roster of State Workforce Investment Board (SWIB) members, if not included in the state plan,
- A list of all one-stop centers in the state and their locations,
- A description of the state’s certification or chartering process for one-stop centers,
- Negotiated targets for WIA performance measures,
- Quarterly financial and performance reports submitted since the date of the most recent formula grant review,
- Supplemental financial information from spreadsheets or other sources depicting how 15 percent and 25 percent funds are spent,
- A state policy manual, if available, which includes information on the state’s Eligible Training Providers List (ETPL) policy,
- Sample state monitoring reports of local areas,
- All correspondence between ETA and the grantee related to the formula grant,
- Information on all authorized waivers (including those that may have been authorized separately from the approval of the state plan),
- Information on pending issues, including unresolved matters between ETA and the state grantee such as unanswered grant questions or grant modification issues,
- The results of any reports, evaluations or studies the state grantee has conducted related to formula grant impact or effectiveness,
- Written reports or other results of prior formula grant reviews of the state grantee, and
- Other FPO’s notes.

NOTE: This list is not intended to be all-inclusive. There are many other documents that FPOs in the various offices may request in advance or on site, depending on the nature of the grant and grantee.

The FPO’s review of formula grant documents is likely to identify key issues or areas of concentration that may warrant further exploration during the formula grant review. Generally, these issues or areas of concentration have to do with:

- *Strategic-level concerns* growing out of the grantee’s articulated vision, workforce priorities, service design or policies.
- *Operational-level concerns* as a result of potential disconnects between articulated vision and strategy and specified operational policies or procedures.
- *Enrollment rates*, including the extent to which they may be significantly higher or lower than planned and the potential implications any significant enrollment fluctuations have for the grantee’s ability to achieve the goals of the formula grant.
- *Expenditure rates*, including the extent to which they may be significantly higher or lower than planned and the potential implications any significant fluctuations have for the future allocation of funds to the grantee or the grantee’s ability to achieve the goals of the formula grant.

- *Potential compliance issues* involving program design, service delivery, program operations, waivers, or specific terms or conditions of the grant agreement.
- *Potential performance issues* involving interim outcomes, attainments or results of the formula grant related to negotiated performance levels or other goals specified in the formula grant.

The FPO should also make preparations in advance of the onsite review of the state grantee to review a sample of local areas and one-stop centers on site. The FPO should communicate with the state grantee regarding specific one-stop center sites selected for review and obtain and review the following information in advance of the onsite review for the local workforce areas in which these sites are located:

- The local plan,
- A roster for the Local Workforce Investment Board (LWIB),
- A list of all one-stop centers and service locations within the local area,
- A copy of the Memorandum of Understanding (MOU) and One-Stop Operator Agreement,
- The local policy manual, and
- Program and expenditure reports for the specific local areas in the sample.

USE OF THE GUIDE ONSITE

The *Core Monitoring Guide* with the FORMULA GRANT SUPPLEMENT should be used by FPOs and other review staff as a guide only and should be customized as needed to fit the specific circumstances of each formula grant review. This means that not all of the review objectives, indicators and FPO guidance included in this guide may be applicable in the same way to every formula grant. **ETA staff will have an editable version of the guide that can be reformatted as needed for their use. This includes the ability to separate indicators by page and expand areas available for notes, comments and sources.** The reviewer should also refer to the various resources provided in the “Tool Box” and use them, as appropriate, to assist in structuring or conducting the formula grant review.

The structure of this document follows the *Core Monitoring Guide*. Each of the five core activities is organized around specific requirements derived from legislation, regulations, and grant provisions that relate to that core activity. These requirements or expectations are called objectives. Each objective is accompanied by indicators. The indicators are the criteria that are used to determine that the objective or requirement is being met. Indicators which are derived from a compliance requirement are labeled **(C)** which means they must be met. Indicators which relate to effectiveness are labeled **(E)**. The questions accompanying the indicators are designed to help the FPO make a determination if the indicator and objective has been met. Each of the individual questions or guidance under a **(C)** indicator may not tie to a specific regulation but represents information to help determine compliance with the indicator. In some cases, indicators which are **(E)** in the *Core Monitoring Guide* may be **(C)** in other supplements, including this FORMULA SUPPLEMENT, as a result of specific legislative or regulatory requirements applicable to the review. For indicators and objectives which changed from effectiveness to compliance for formula grants, the label will be highlighted **(C)** to indicate the change.

Because the *Core Monitoring Guide* with the FORMULA GRANT SUPPLEMENT identifies the standards Federal reviewers will use for formula grant reviews, and describes the review processes they will undertake, it is also adaptable for use by state and local entities responsible for or involved in implementation and administration of formula grants.

SUPPLEMENTAL MATERIALS

Specific tools and materials have been developed to assist reviewers using this *Core Monitoring Guide* with the FORMULA GRANT SUPPLEMENT. The materials include worksheets and other documents such as interview guidelines that may assist the reviewer in addressing whether the objectives and indicators

contained in this Guide have been met. They are not intended to replace the REVIEW GUIDE itself. These tools may be found in a supplemental “toolbox” and used as determined to be applicable for a review. In some cases, the Tool Directory identifies documents, such as the State WIA-Wagner-Peyser (WP) Plan, or the most recent Workforce Information Annual Progress Report, which should be used by the FPO to assess the status of these objectives.

CORE ACTIVITY 1

DESIGN AND GOVERNANCE

Core Activity 1 addresses design and governance principles that can guide and support the grantee’s strategy for developing a demand-driven workforce system. A demand-driven system is one which meets the needs of employers by developing a qualified and competitive workforce while preparing job seekers for the jobs and careers of the future.

CORE ACTIVITY 1 GENERAL INSTRUCTIONS

The purpose of Core Activity 1 is to evaluate the grantee’s program design and governance in the context of a demand-driven system. The reviewer looks at how the grantee designs its programs to provide the tools and products that support business growth and economic development, to provide services that prepare workers to take advantage of job opportunities in high-growth and high-demand occupations, and to provide services to the employer and job seeker within an integrated service delivery system. The reviewer looks at governance in the context of how leadership is identifying the workforce needs in high-growth and economically-critical industries and the preparation required of workers to succeed in those occupations, as well as understanding the workforce challenges that must be addressed to ensure a prepared and competitive workforce.

Summary of Findings for Core Activity 1	
Promising Practices	
Findings or High-Risk Factors	
Other Observations	

<p>OBJECTIVE 1.1 Strategic Planning: Grantee organization has developed a strategic approach to meeting business and industry’s need for a prepared and competitive workforce and becoming a demand-driven organization. [WIA §§ 111, 112 and 118, 20 CFR 661.220, 20 CFR 661.345-350, 20 CFR 662.200-230]</p>	<p>Tools Directory:</p> <ul style="list-style-type: none"> ▪ The State WIA-WP Plan ▪ Most recent Workforce Information Annual Progress Report ▪ Recent On-site Workforce Information Grant Review Reports <p>R.1.1.1 ETA Planning Guidance & Instructions R.1.1.2 20 CFR 661.305 (a) (7) & (8)</p>
<p>Summary of Indicators</p> <p><input type="checkbox"/> 1.1.1 The grantee has consulted with business leadership from the state and local area in forming its strategy for creating a demand-driven workforce system. C</p> <p><input type="checkbox"/> 1.1.2 The grantee has developed a vision and strategy to become a demand-driven organization. C</p> <p><input type="checkbox"/> 1.1.3 The grantee functions as a partner with the public workforce system, business and industry, economic development agencies, and education and training providers. C</p> <p><input type="checkbox"/> 1.1.4 The grantee has identified for its area the high-growth businesses and industries, their workforce needs, and the skills and competencies needed to perform jobs in these key business areas. E</p> <p><input type="checkbox"/> 1.1.5 The state grantee has developed strategies to address the strategic direction and priorities ETA has established for the workforce investment system that develops talent to increase economic competitiveness, job growth and job opportunities. C (New for Formula)</p> <p><input type="checkbox"/> 1.1.6 The state grantee conducts and encourages planning on a regional basis to support business growth and regional economic development. E (New for Formula)</p> <p><input type="checkbox"/> 1.1.7 The state grantee uses the planning process for local formula grant awards to assure the development of local plans that effectively achieve ETA, state and local goals. C (New for Formula)</p>	

Indicator 1.1.1 (C)

- The grantee has consulted with business leadership from the state and local area in forming its strategy for creating a demand-driven workforce system.

Core Grant Guidance

Interview grantee leadership, and ask the following questions as they apply to the grant you are reviewing.

- Is the grantee aware of the SWIB policy direction for creating a demand-driven system? Has it patterned its own policy after the state board's?
- Has the grantee consulted with LWIBs in developing a coordinated approach for meeting business and industry's need for a qualified and competitive workforce?
- Is the grantee's strategy consistent with the LWIB's regional strategy for creating a demand-driven workforce system?
- Does the grantee organization have significant business representation on its own board to advise it on how best to serve business needs and interests?

Supplemental Guidance for Formula Grants – State

Review the state grantee's system strategy as described in the State's WIA-WP Plan and other relevant reports.

- How does the State WIA-WP Plan show that business leadership was actively involved in developing the strategy for a workforce system that is responsive to market demands?
- What other evidence is there to support active involvement of business leadership in designing the system?

Supplemental Guidance for Formula Grants – Local

Obtain and review local plans and other documents or reports describing the local area's workforce strategy.

- How has the diversity of business sector representation on the LWIB (i.e. emerging, expanding, and mature, small and large corporations, and entrepreneurs) contributed to the development of a strategy that incorporates the area's economic development strategies to transform the workforce development system?
- How does the LWIB consult with and involve the larger business community (besides its own members) on an ongoing basis in crafting an effective strategy?
- How has the LWIB documented the incorporation of the input of business leadership into their development of workforce development strategies for the local area?
- How have local economic development entities, the continuum of education, and local businesses and industry groups been involved in identifying priority areas of the local economy?

Sources and Notes:

Indicator 1.1.2 (C)

The grantee has developed a vision and strategy to become a demand-driven organization.

Core Grant Guidance

Review the grantee organization's vision, mission, strategy, and action planning documents; compare these with the vision described by ETA; interview the leadership of the grantee.

- Does the grantee have a written vision statement? Does it have a written strategy for achieving its vision?
- Is all grantee staff knowledgeable about the grantee organization's demand-driven vision and strategy? What training has been provided to staff regarding the demand-driven approach?
- What objectives and goals has the grantee organization established to help it assess progress toward fulfillment of its strategic vision?
- How are the goals and objectives expressed in the grant compatible with the grantee's strategic vision?

Supplemental Guidance for Formula Grants - State

Review the guidance and instructions the state grantee provided to local areas to foster effective systems which are linked to the short and long-term needs of the economy.

Review the State WIA-WP Plan

Review WIA § 112(b)(4).

- What data supports or provides the foundation for the state grantee's vision and strategy for the workforce system?
- What activities did the state grantee perform (such as needs assessment or consultation with strategic partners) to develop its vision and strategies?
- Is there a clear link between the results of the needs assessment and the state grantee's vision and strategy for the workforce system? §§ 111 (d) (2) and 112 (a).
- What specific actions has the state grantee taken, through its policies and procedures, to foster a workforce vision and strategy at the local level?
- What strategies does the state grantee use to communicate with and educate the local workforce investment system and/or service providers on its vision and strategy?
- What evidence is there that the state grantee's workforce information is comprehensive and flexible enough to ensure that, as local needs change, services and training opportunities remain focused on and responsive to local strategies?

Supplemental Guidance for Formula Grants – Local

Review information on the strategies local areas use to develop effective workforce systems.

- What process, if any, did the local grantee use to identify any gaps between needed workforce skills and the current levels of education and skills in the current workforce? Who participated in the process, i.e., local business and industry; education; government, etc? When was it conducted? How were the results of this assessment used?
- How is the local area’s vision and strategy for a workforce system integrated into a broader regional vision?
- What written documents formalize the local area’s vision and strategy?

Sources and Notes:**Indicator 1.1.3 (C)**

- The grantee functions as a partner with the public workforce system, business and industry, economic development agencies, and education and training providers.

Core Grant Guidance

Interview grantee management.

- What role does each organization and institution play with respect to industry and business?
- What knowledge, resource, and skills does each organization bring to the network?
- How does the grantee organization serve as a partner within the network?
- What organizations and institutions comprise the grantee organization’s network?

Supplemental Guidance for Formula Grants - State

Review WIA § 111; 20 CFR 660 Subpart A, 662.200 and 662.230.

- With whom has the state grantee formed strategic partnerships?
- To what extent do these partnerships support planning and action around regional economies?
- What is the state grantee doing to support and expand strategic partnerships with High-Growth and Community-Based grantees?
- What leveraged resources do the state grantee’s strategic partnerships produce to help address identified workforce challenges? WIA §112 (b)(10).
- How does the state grantee effectively promote, develop and sustain ongoing strategic partnerships? WIA§112 (a). How does it assess the effectiveness of these efforts?
- What is the state's strategy for helping regions adopt common and innovative policies across the workforce, education and economic development systems?

Supplemental Guidance for Formula Grants - Local

Review the local plan, reports and other available documents describing the partnerships formed at the local level and how these partnerships function.

- What strategic partnerships have been formed locally and how do these partnerships function?
- To what extent do all workforce partners participate in information-sharing opportunities, venues where business is present (i.e. speaking opportunities at chambers; industry newsletters and publications; and one-on-one relationship building efforts)? Ask for some examples.
- How are local workforce entities supporting and expanding the strategic partnerships established by the High-Growth and Community-Based grantees?
- What evidence is there that the local public workforce system is both perceived and functions as a system inclusive of all workforce development partner agencies and is not limited only to ETA-funded programs?

Sources and Notes:**Indicator 1.1.4 (E)**

- The grantee has identified for its area the high-growth businesses and industries, their workforce needs, and the skills and competencies needed to perform jobs in these key business areas.

Core Grant Guidance

Interview the leadership of the grantee or primary staff responsible for the analysis; examine the sources of Labor Market Information (LMI) used by the grantee organization.

- Has the grantee organization determined which industries/sectors/clusters/segments and businesses are high-growth businesses that are key to the economic well being of its area? What factors did it consider and what information sources did it use to make this determination (e.g., LMI from the state, economic development agencies, chambers of commerce, business groups, trade associations, and community audits)?
- What are the market opportunities and workforce needs of the key industries/sectors/clusters/segments and key businesses in the grantee's area?
- Has the grantee identified the skills and competencies needed to successfully perform the current and future jobs available in its key industries and businesses?
- How did the grantee involve the business community in making these determinations and validating these conclusions?
- Has the grantee used this information to market its services to the job seeker and employer community?
- Does the grantee have a process for staying current with trends affecting major industry and business customers?

Supplemental Guidance for Formula Grants – State

Review the state grantee strategies that were designed to target high growth/demand industries and occupations. WIA §§ 112 (a) and 112(b)(4)(A).

Review the State WIA-WP Plan as it relates to business, industry and high growth strategies.

Review of this indicator should be performed in conjunction with Indicators 4.3.1, 4.3.2 and 4.3.3.

There are additional performance measure questions associated with this indicator included in Indicator 5.5.3.

- In what specific ways does the state grantee focus its planning and policies on the workforce development priorities identified as being most critical to economic growth?
- What criteria does the state grantee use to measure success and progress regarding its strategies to:
 - Serve high-growth businesses and industries WIA §§ 112(a) and 112(b)(4)(A)?
 - Support the creation, sustainability and growth of small businesses WIA §§ 112 (b)(4) and 112 (b)(17)(A)(i)?
- How does the state grantee coordinate with discretionary grantees such as the High-Growth and Community-Based grantees?
- How does the state grantee ensure its workforce development priorities remain aligned over time with economic development initiatives and priorities?

Supplemental Guidance for Formula Grants - Local

Review information from local plans or other sources describing services to high-growth businesses and industries in local areas.

- In what ways has the local area designed the local workforce system to address challenges and opportunities of high growth businesses and industries?
- What criteria or measures does the local public workforce system use to gauge the effectiveness of its efforts to place individuals in high-growth jobs?
- What steps has the local workforce system taken to align the workforce system in support of small businesses and in recognition that two-thirds of all new jobs are created by small businesses?

Sources and Notes:

Indicator 1.1.5 (C)

- The state grantee has developed strategies that reflect ETA priorities for the workforce investment system that develops talent to increase economic competitiveness, job growth and job opportunities.
(New for Formula)

Supplemental Guidance for Formula Grants – State

Review the State WIA-WP Plan as it relates to pages 1-18 in the ETA Planning Guidance and Instructions. Review WIA 112(b)(4). There are additional performance measure questions associated with this indicator included in Indicator 5.5.3.

- What specific actions has the state grantee taken, including the development of policies and procedures, to implement the system reforms envisioned under WIA, including actions to:
 - Provide an integrated, seamless service delivery through comprehensive one-stop career centers?
 - Create a responsive workforce system governed by business-led workforce investment boards?
 - Promote flexible service delivery that meets the needs of regional and local economies?
 - Increase and enrich customer choice through providing better information on employment and training opportunities and training providers?
 - Increase performance accountability, including accountability for youth outcomes?
- What specific policies and procedures have been developed, or what other actions has the state grantee taken, to address national priorities related to:
 - Creating a shared vision that drives partner spending decisions?
 - Implementing an effective system by analyzing employer and economic development needs to develop the talent needed within regional economies.
 - Designing and implementing strategies around the needs identified?
 - Eliminating or reducing administrative costs in order to increase training resources and expand opportunities to develop the talent that will be required for current and future higher skilled jobs in the local and regional economies?
 - Establishing common policies and seamless transfer across educational systems?
 - Expanding post-secondary education opportunities based on regional needs?
 - Refocusing youth programs on out-of-school youth and collaborative service delivery through strategic partnerships teams and other means?
 - Improving real-time information available for use by LWIBs, job seekers and others to make decisions?
 - Providing workforce information services to LWIBs that align with state and regional economic structures?
 - Enhancing the role faith-based and community-based organizations play in local workforce development?
 - Aligning or coordinating workforce investment boards to correspond to regional economies?
 - Using waivers and other opportunities for increased flexibility to improve service delivery and outcomes?
- How does the state grantee educate the local system on these policies and procedures?
- How, if at all, does the state grantee assess the effectiveness of the strategies it has developed?

Indicator 1.1.6 (E)

- The state grantee conducts and encourages planning on a regional basis to support business growth and regional economic development. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Review the State WIA-WP Plan as it relates to regional planning and economic development (relates to ETA Planning Guidance and Instructions and State Plan Review Tool).

There are additional performance measure questions associated with this indicator included in Indicator 5.5.3.

- Specifically, how does the state grantee’s planning support regional business growth and economic development? WIA §§112 (b)(2) and 116 (c).
- What specific strategies is the state grantee implementing to bring about high-skill/high-wage employment opportunities within regional economies?
- What financial or other incentives does the state grantee provide to local areas to foster regional planning and coordination?
- What steps has the state grantee taken to encourage formation or coordination of local boards around regional economies?
- What tools has the state grantee provided to assist in the identification of regional economies?
- What criteria or measures has the state grantee established to assess the extent to which the goals established for its regional planning and initiatives are being achieved? WIA §§112(b)(2) and 116(c).
- Does the state have an incentive policy that rewards regional cooperation among local boards? §134(a)(2)(B)(iii).

Sources and Notes:**Indicator 1.1.7 (C)**

- The state grantee establishes a planning process for local formula grant awards to assure the development of local plans that effectively achieve ETA, state and local goals. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Review the State WIA-WP Plan as it relates to strategic planning and local plan development.

- What strategies and tools does the state grantee use specifically to facilitate local strategic planning? WIA §112(b)(2) and 20 CFR 661.350(a)(13).
- What commitments or actions does the state grantee require in local formula grant plans to assure that local planning processes address ETA, state and local goals?
- How does the state grantee determine if local plans effectively address these goals?

Sources and Notes:

<p>OBJECTIVE 1.2 Service Design: The grantee organization has designed a service delivery system to accomplish its strategic objectives for becoming demand-driven. [WIA §§ 129(c), 134(d), 20 CFR Parts 663 and 664]</p>	<p>Tools Directory:</p> <ul style="list-style-type: none"> ▪ The State WIA-WP Plan ▪ Local Plans, if available <p>T.1.2.1 Youth Council and Services Assessment Tool</p>
<p>Summary of Indicators</p>	
<ul style="list-style-type: none"> <input type="checkbox"/> 1.2.1 The grantee has identified the resources available to it and the products and services it can offer to the business customer. E <input type="checkbox"/> 1.2.2 The grantee has a policy and practice of having its business services staff interact and coordinate with the job seeker services staff to provide human resource solutions. E <input type="checkbox"/> 1.2.3 The grantee determines the value and effectiveness of its services to business and industry. E <input type="checkbox"/> 1.2.4 The grantee leverages the system’s resources to broaden their impact. E <input type="checkbox"/> 1.2.5 The state grantee has established a system that ties service design strategies to results achieved. E (New for Formula) <input type="checkbox"/> 1.2.6 The state grantee effectively uses the flexibility available to it, including the flexibility of formula grants reserved at the state level, to enhance the effectiveness of the workforce system and achieve its strategic goals. E (New for Formula) <input type="checkbox"/> 1.2.7 Services to adults and dislocated workers are designed to develop the skills and talents that job seekers will need to obtain high paying jobs in growth industries. C (New for Formula) <input type="checkbox"/> 1.2.8 Services to youth are comprehensive and designed to accomplish national priorities for youth programs. C (New for Formula) 	

<p>Indicator 1.2.1 (E)</p>
<p><input type="checkbox"/> The grantee has identified the resources available to it and the products and services it can offer to the business customer.</p>
<p>Core Grant Guidance</p> <ul style="list-style-type: none"> ▪ What are the resources available to the grantee within its own organization? What resources does the grantee organization have (e.g., dollars, services, skills, and expertise)? ▪ What services does the grantee have the potential to offer? ▪ What resources does the grantee organization have access to (through partners, contributors, or vendors)? ▪ What are the products and services the grantee organization intends to deliver to its targeted industries/sectors/segments/clusters?

Supplemental Guidance for Formula Grants – State

Review the State WIA-WP Plan to identify/assess the grantee’s strategy for providing services to the business customer.

- Does the state plan outline a strategy for meeting the needs of the business customer? How does the strategy ensure that the local system assesses the needs of the business customer and identifies the resources it has to address the needs of the business customer?

Supplemental Guidance for Formula Grants – Local

Review the local plan, reports and other documents describing business services.

- How does the local area assess the needs of the business customer? How are the results of this assessment used to shape the service strategy for the business customer?
- How does the LWIB identify the resources it has to address the needs of the business customer? What resources were identified and how are they being allocated?
- How, if at all, has the strategy outlined in the state’s WIA-WP Plan guided the way the LWIB serves the business customer?

Sources and Notes:

Indicator 1.2.2 (E)

- The grantee has a policy and practice of having business services staff interact and coordinate with job seeker services staff to provide human resource solutions.

Core Grant Guidance

Interview staff responsible for providing business and job seeker services.

- How do the grantee's business services staff and job seeker services staff coordinate to assure business customers receive the services designed to meet their needs and solve their problems?
- How are job seeker services and job seeker service providers made aware of specific business needs/requirement/opportunities?

Supplemental Guidance for Formula Grants - Local

Review local grantee staffing plans for business services. Identify and review any policies that promote interaction between business service and job seeker staff.

- How often and in what forums do business or industry representatives meet with case managers from partner programs to share information on employers' needs and expectations?
- How is the information obtained during these meetings shared with other business services and job seeker services staff?

Sources and Notes:

Indicator 1.2.3 (E)

The grantee determines the value and effectiveness of its services to business and industry.

Core Grant Guidance

Interview grantee staff who obtain direct feedback from employers. Review survey responses or other information the grantee has received from employers which assess the value of services received.

- How does the grantee assess the value and effectiveness of its service to business and industry?
- What solutions do industry and the business community believe the grantee organization is capable of providing? Which of these have actually been provided?
- What is the value of the grantee's services from the business customers' perspective? How does the grantee obtain this perspective?
- Has the demand-driven service delivery approach improved the grantee organization's position in the eyes of business? Has it opened up new opportunities for the grantee organization to provide services to businesses?
- What effect has demand-driven services had on basic operations and services (e.g., job listings, screening, or referrals)? What has been the effect on other services and operations (e.g., assessment or training)?
- What effect has demand-driven service delivery had on the grantee's performance in general and the specific performance goals contained in the grant?

Supplemental Guidance for Formula Grants - State

Review local grantee staffing plans for business services. Identify and review any policies that promote interaction between business service and job seeker staff.

- What criteria or benchmarks does the state use to assess the value and effectiveness of local services to business and industry?
- What have been the results of the state grantee's application of these criteria and benchmarks to actual outcomes?

Supplemental Guidance for Formula Grants - Local

Obtain and review information on the goals and outcomes of business services being provided in local areas.

- What criteria or benchmarks does the local area use to determine the value and effectiveness of its services to businesses?
- What has been the local area's actual performance against these criteria or benchmarks?
- As an indirect indicator of value to employers, has any business or industry leader voluntarily requested to serve on the workforce board because of the value of services provided to the business community?

Sources and Notes:

Indicator 1.2.4 (E)

The grantee leverages the system's resources to broaden their impact.

Core Grant Guidance

Interview the leadership of the grantee; examine the sources of information and mechanisms (e.g., MOU used by the grantee to leverage resources).

- How does the grantee organization determine the resource requirements for the business services function?
- What other functions, in addition to business functions, are critical to providing successful solutions to businesses?
- What organizations and institutions provide resources (e.g., services) directly supportive of the grant's results?
- What key relationship has the grantee organization developed with strategic partners to accomplish its demand-driven goals?
- How is the network used by the grant organization to leverage resources and create solutions for its business customers?

Supplemental Guidance for Formula Grants – State

Review the State WIA-WP Plan to assess its strategy to facilitate resource leveraging at the local level (relates to the ETA Planning Guidance and Instructions and State Plan Review Tool).

There are additional performance measure questions associated with this indicator included in Indicator 5.5.3.

- In what specific ways does the state grantee encourage or support local area efforts to leverage multiple resources and funding sources to develop solutions to business and individual problems and needs? What does the state grantee do to promote resource leveraging in local one-stop systems?
- How does the state grantee use feedback it gets from local areas regarding barriers or problems they encounter in their attempts to leverage resources?
- How does the state grantee use feedback to improve business services?
- What criteria or measures does the state grantee use to determine how successful local areas are in their attempts to leverage resources to meet needs?

Supplemental Guidance for Formula Grants – Local

Review the local MOU(s), resource-sharing agreements, and budgets.

- In what ways is the local area successfully leveraging funds to maximize effectiveness and to expand business, employer and individual participation in the local workforce system? Ask for examples.
- What project(s) has the business community agreed to fund jointly or individually in the local area because employers see the project as providing a valuable solution for business and industry?
- What specific local partner commitments to leverage funds to improve local one-stop system operations are included in the MOU or other agreements, and are these commitments being honored?
- What does the percentage of job seekers in the local area who are co-enrolled in multiple programs suggest about leveraging?

- What resources and funding sources are typically mixed to develop solutions to specific business customer needs? Do local areas have an acceptable rationale to support their decisions to exclude any funds or resources?
- What customized business solutions have the local area developed and offered to employers for which the business community is willing to pay a fee? 20 CFR 663.145(b)(1)(ii).
- How is On the Job Training (OJT) used to leverage the system and private sector resources in providing talent development solutions for area businesses?

Sources and Notes:

Indicator 1.2.5 (E)

- The state grantee has established a system that ties service design strategies to results achieved. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Review the State WIA-WP Plan to assess whether the state appears to have linked its service design strategies with its goals and objectives.

Interview state-grantee staff responsible for formula grants to identify the primary results service design strategies are intended to produce.

- Which service design elements has the state grantee defined as being critical to achieving its strategic goals?
- In what specific ways does the state grantee encourage or require implementation of these service design elements at the local level?
- What criteria or measures does the state grantee use to evaluate the extent to which these service design elements produce desired results?
- Has the state conducted evaluations to compare various service design elements to determine which may be the most effective? §134(a)(2)(B)(ii) and §136(e)(1)
- What examples can the state grantee offer as evidence of how results and outcomes are used to continuously improve service design?

Sources and Notes:

Indicator 1.2.6 (E)

- The state grantee effectively uses the flexibility available to it to, including the flexibility of formula grants reserved at the state level, to enhance the effectiveness of the workforce system and accomplish its strategic goals. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Review the State WIA-WP Plan to determine the state grantee's plan for using §7(b) funds. Obtain and review information on how §7(b) funds are actually being used (relates to ETA Planning Guidance and Instructions and State Plan Review Tool).

Review documentation outlining all required statewide activities that have been funded, the state's policies and procedures for incentive grants to local areas and other relevant information and reports.

Review the grantee's most recent WIA Annual Report narrative. The state is required to describe any research or demonstration projects that involve services to participants.

Interview state grantee staff responsible for or knowledgeable about Wagner-Peyser programs.

Interview state staff responsible for the development and oversight of statewide activity projects under WIA.

The 10 percent reserve and 15 percent set aside may be reduced under annual fiscal year appropriations. Please check current Fiscal Year appropriation for maximum amount allowed.

There are additional performance measure questions associated with this indicator included in Indicator 5.5.3.

- What obstacles in law or regulation has the state grantee identified as barriers in meeting its strategic and operational goals?
- What strategy for waivers has the state grantee pursued to overcome those barriers? What is the status of the state grantee's implementation of approved waivers? Has the state grantee identified the need for additional waivers?
- Has the state grantee considered or acted on the flexibility provided through workflex authority if appropriate? §§189(i)(1), 189(i)(4)(A) and 192
- Review the state grantee's strategy for the use of Wagner-Peyser funds.
 - Is the state grantee using Wagner-Peyser §7(b) funds as specified in the state plan?
 - What measures or criteria will the state grantee use to measure whether its strategy is successful?
 - What progress is the state grantee making to implement its strategy?
- How did the state grantee determine how the Governor's 10 percent reserve (10 percent funds) funds would be used?
- What is the status of each activity under Wagner-Peyser §7(b):
 - If the 10 percent funds are used for performance incentives, what are the results achieved from the incentives?
 - How are the recipients of performance incentives selected? How are the amounts of performance incentives determined? If the 10 percent funds are used for groups with special needs, are joint agreements in place? How are the agreements monitored? Are there measurable outcomes?
 - If the 10 percent funds are used for exemplary models, identify the models and describe their benefits to service delivery.

- Review the state grantee’s strategy for the use of WIA Title I funds, including Title I incentive funds to maximize effectiveness? §§112 (a) and 112 (b)(4)(A-C)
 - Is the state grantee using WIA Title I funds, including 15 percent funds, as specified in the state plan?
 - How has the state grantee used the flexibility of 15 percent Statewide Activities funds available under WIA?
 - What measures or criteria will the state grantee use to evaluate whether its strategy to maximize the effectiveness of Title I funds is successful?
 - What progress is the state grantee making to implement its strategy?
- What was the state grantee’s process for determining the kind of discretionary projects it would support with its 15 percent funds?
 - What was the state board's role in guiding the use of 15 percent funds?
- How do the projects support the state grantee’s strategic goals, as defined in the state plan and/or the state board’s objectives?
- What evaluation or demonstration activities did the state grantee conduct?
- How does the state grantee evaluate programs and activities funded by its 15 percent funds? Does the evaluation have a follow-up component that assesses the effectiveness of the program/activity?
- Is the state conducting research or demonstration projects that are not included in the prior year's WIA Annual Report?
- What is the state grantee's policy for collecting and reporting performance information for projects providing services to individuals who are eligible under Title I?
- What type of technical assistance is being provided to local areas? Are the technical assistance activities likely to have a meaningful impact on future program performance?
- What technical assistance is the state grantee providing to local areas that fail to meet performance standards?

Sources and Notes:

Indicator 1.2.7 (C)

- Services to adults and dislocated workers are designed to develop the skills and talents that job seekers will need to obtain high paying jobs in high growth industries. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Review the State WIA-WP Plan to identify and assess the state grantee's plans and strategies for ensuring that local services to adults and dislocated workers are targeted to high paying jobs in high growth industries (relates to ETA Planning Guidance and Instructions and State Plan Review Tool. Obtain a copy of the state's policies on OJT and customized training. Review of this indicator should be performed in conjunction with Indicators 4.2.4 and 4.3.2. There are additional performance measure questions associated with this indicator included in Indicator 5.5.3.

- What are the state grantee's strategies for ensuring that local areas use Individual Training Accounts (ITA), OJT and customized training to expand training opportunities, fill skills gaps, and focus on training in high growth/demand occupations. (§§112(b)(17)(A)(i) and 134(b).)
- What criteria or measures is the state grantee using to evaluate the effectiveness of these strategies?
- What progress is the state grantee making to implement its strategies to expand training opportunities in high growth jobs in high growth industries?
- What steps has the state grantee taken to ensure that the three-tiered service strategy authorized by WIA promotes training in high-paying jobs in high growth industries? §134(d)(2)?

Supplemental Guidance for Formula Grants – Local

Ask for a list of the training programs offered by the local grantee.

Ask for a list of the high growth industries/occupations in the local area.

Ask for a list of training programs in which adults and dislocated workers are currently enrolled.

- How has the local area designed its services to ensure that the training opportunities it offers will help job seekers to obtain high paying jobs in high growth industries?
- Compare the lists you obtained on training programs and high growth industries/occupations to determine the extent to which the training actually being provided is in high growth industries/occupations in high growth areas.
- How does the local area ensure that the three-tiered service strategy authorized by WIA helps adults and dislocated workers obtain high paying jobs in high growth industries? §134(d)(2)

Sources and Notes:

Use the Review Guide for National Emergency Grants (NEG) and Disaster Projects supplement for reviewing NEGs.

Indicator 1.2.8 (C)

- Services to youth are comprehensive and designed to accomplish national priorities for youth programs to connect youth to employment opportunities within high-growth industries. **(New for Formula)**

Supplemental Guidance for Formula Grants– State

Review WIA Youth Program Assessment Guide and Instructions, especially Program Design and Elements.

Review the strategies described in the State WIA-WP Plan for serving the neediest youth, out-of-school youth and at-risk youth as priorities.

There are additional performance measure questions associated with this indicator included in Indicator 5.5.3.

- What strategies has the state grantee established to address the following four national goal areas for youth services under WIA?
 - Improving the quality of alternative education?
 - Assuring that youth resource investments are in line with job opportunities in the local economy?
 - Prioritizing resource investments to serve youth who are most in need?
 - Assuring that youth programs are performance based and focused on outcomes?
- What criteria or measures has the state grantee established to determine the effectiveness of its efforts to address each of these goals? What progress is the state grantee making to implement these strategies?
- What criteria or measures does the state grantee use to evaluate the results of its efforts to assure universal access and consistency of youth services statewide?
- Review the state grantee’s strategy for serving youth who are most in need.
 - What criteria or measures is the state grantee using to assess the effectiveness of its strategies for serving the neediest youth?
 - What progress is the state grantee making to implement its strategies to serve the neediest youth, including out-of-school youth and at-risk youth (i.e., youth in foster care, aging out of foster care, youth in the juvenile justice system, youth with disabilities, children of incarcerated parents and migrant youth) as priorities?
- Is the state grantee effectively using statewide reserve funds to support its strategic vision for youth?
 - Has the state grantee carried out research or demonstration projects? Projects can include using a mix of WIA and partner funds (e.g., state foster care, juvenile justice to demonstrate effective linkages, etc.).
 - Has the state grantee conducted youth activities on a statewide basis? For example, the state can use part of its WIA allocation to provide a statewide mentoring or other exemplary types of programs for use by local areas to expand opportunities for WIA eligible youth to receive this service.
 - Does the state grantee have partnerships with education? The criminal justice system? With Health and Human services?

Supplemental Guidance for Formula Grants – Local

Review the LWIB's plan and policies for youth services.

Review the minutes of the Youth Council

Review the local area's requests for proposal (RFPs) for procuring youth services

Review the performance data for the local area's youth programs—particularly for the common measures. Note the demographic characteristics of the youth served such as the proportion that are in-school, disabled or from a targeted population.

Review the one-stop MOU with respect to the role of the youth program as a partner.

Review the list of local youth service providers.

Interview a group of youth participants.

Interview youth program and Youth Council staffs.

- How are youth collaborative strategies incorporated into the local area's planning process and reflected in the RFP criteria and in subgrant agreements?
- How do the LWIB and Youth Council work to coordinate and align all the workforce development resources for youth within the community, both public and private? Ask for examples. Have the local board and youth council analyzed the range of youth services that are available in the community, developed linkages with them, and insured that youth are provided information on the full array of applicable or appropriate services available?
- What kind of coordinated services are offered through the local youth program? Do they include opportunities for assistance in academic and occupational learning; development of leadership skills; and preparation for further education, additional training, and eventual employment?
- What strategies has the local area established to implement the strategic priorities contained in ETA's guidance? To incorporate alternative education? To assure that youth are prepared to meet employer expectations and are guided towards high growth occupations and industries? To serve youth who are most in need—particularly drop-outs, youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, children of migrant workers, youth with disabilities, and homeless youth? To assure that youth programs are performance driven and focused on outcomes such as placement in employment or education, improved numeracy and literacy, and attainment of a recognized occupational certificate?
- How does the local area involve public and alternative schools in its youth program?
- Are both youth framework and program elements fully available to youth clients (e.g., mentoring, dropout prevention, leadership development, long-term follow-up, etc.)?
- Has the one-stop resource room or alternative youth area been designed to serve the unique needs of youth as well as adults?
- Have all one-stop staff members been trained on how to refer youth to the WIA youth program or Job Corps? Are referrals tracked?
- Is information on various youth services (including the list of eligible youth providers)—including Job Corps services or apprenticeship opportunities—easily available in the one-stop?

- Has the one-stop resource room or alternative youth area been designed to serve the unique needs of youth as well as adults?
- Have all one-stop staff members been trained on how to refer youth to the WIA youth program or Job Corps? Are referrals tracked?
- Is information on various youth services (including the list of eligible youth providers)—including Job Corps services or apprenticeship opportunities—easily available in the one-stop?

Sources and Notes:

<p>OBJECTIVE 1.3 Program Integration: Integration is supported, codified in policy, measured, and evident at the leadership level of the workforce system in which the grantee operates. [WIA § 112(b)]</p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 1.3.1 The grantee organization and its senior level leadership support program integration into the larger workforce investment system. C</p> <p><input type="checkbox"/> 1.3.2 Integration is used to define policies, systems, and service design that reduce duplication, maximize the reach of resources, ensure appropriate customer service across funding streams, and reduce administrative overhead. E</p>	

<p>Indicator 1.3.1 (C)</p>
<p><input type="checkbox"/> The grantee organization and its senior level leadership support program integration into the larger workforce investment system.</p>
<p>Core Grant Guidance</p> <p><i>Interview grantee staff. Review grantee policies to determine how they support integrated approaches to system design and service delivery, and how the grantee links to the larger workforce investment system.</i></p> <ul style="list-style-type: none"> ▪ Has the leadership of the grantee developed a vision that outlines workforce needs and priorities of the core customers (job seeker and employer)? ▪ Do required leadership councils, including workforce boards, boards of directors, or operators, have active representation from key partners and stakeholders? ▪ Has the leadership of the grantee established an operational framework that coordinates activities with other workforce investment partners in the community? <p>Supplemental Guidance for Formula Grants - State</p> <p><i>Review the State WIA-WP Plan to identify the state’s planned efforts to facilitate integration.</i></p> <p><i>Review of this indicator should be performed in conjunction with Indicators 1.3.2, 4.4.1 and 4.4.4.</i></p> <p><i>There are additional performance measure questions associated with this indicator, included in Indicator 5.5.3.</i></p> <ul style="list-style-type: none"> ▪ What actions has the Governor taken to establish and empower cabinet positions, reorganize programs and to issue executive orders to support integration? Are they consistent with those described in the state plan? ▪ Review the state grantee’s commitments as described in the state plan to coordinate its activities and integrate its services with other state agencies that provide workforce related, educational and economic development services. <ul style="list-style-type: none"> ○ How does the state grantee use discretionary (i.e. 15 percent) funds to promote partner coordination and integration of services in one-stop delivery systems? Has the state grantee made progress in fulfilling the commitments described in the state plan?

- What obstacles were encountered and how are they being overcome?
- If they did not fulfill their commitments or changed their commitments, what factors were responsible for this?
- Have Wagner-Peyser and WIA functions been combined at the state-level in accordance with the state plan? Identify the state grantee's strategy for improving coordination through state-level communication with state agencies and the SWIB? (§112(b)(8)(A))
 - What criteria or measures does the state grantee use to determine the effectiveness of its efforts?
 - What progress is the state grantee making in implementing its strategy?
- How does the state grantee assure collaboration across state agencies related to the provision of youth services?
- Has the state grantee taken all actions described in the state plan to establish crosscutting organizations or bodies at the state level regarding its youth service vision? (§112(b)(18)).
- Do minutes of SWIB meetings indicate that private sector members attend meetings and are actively involved in discussions and decisions regarding program integration?
- Are representatives from the highest levels of partner agencies active on the SWIB?

Sources and Notes:

Indicator 1.3.2 (E)

- Integration is used to define policies, systems, and service design that reduce duplication, maximize the reach of resources, ensure appropriate customer service across funding streams, and reduce administrative overhead.

Core Grant Guidance

Interview grantee staff. Review grantee policies to determine how they support integrated approaches to system design and service delivery, and how the grantee links to the larger workforce investment system.

- Does the coordination reduce administrative duplication? This might include the consolidation of department heads, cabinets, fiscal units, and/or performance units.
- Has grantee leadership issued policies, memoranda, or directives that require and support integration of services with other partner programs?
- Does grantee actually track the progress of integration and report to decision-makers periodically?
- Do grantee planning and work documents outline how integration with other programs will be accomplished and have measurable success indicators related to integration?

Supplemental Guidance for Formula Grants – State

Review the State WIA-WP Plan to assess how integration is used to ensure appropriate customer service across funding streams and reduce administrative overhead (relates to ETA Planning Guidance and Instructions and State Plan Review Tool.).

Review of this indicator should be performed in conjunction with Indicators 1.3.1, 4.4.1 and 4.4.4.

There are additional performance measure questions associated with this indicator included in Indicator 5.5.3.

Review and assess state policies (see first dot point below).

- What policies, procedures and incentives has the state grantee developed in the following areas to promote effective and integrated local one-stop delivery systems? §§129(b)(2)(B) and 134(a)(2)(B):
 - Common or shared service delivery processes such as intake and assessment
 - Data and information sharing that facilitates integration
 - Co-enrollment
 - Certification standards or chartering requirements related to program integration
 - Initiatives designed to combine and leverage resources and multiple funding sources to address local service delivery priorities in an integrated way
 - Overarching performance measures that focus on performance and outcomes for the one-stop delivery system as a whole, rather than on formula grant performance standards or individual program measures
- What kind of models or strategies has the state grantee developed for local use to support integration of the one-stop delivery system as described in the state plan? (§112(b)(14).) What criteria or measures are the state grantee using to determine their effectiveness, and what progress has been made? §112(b)(14).
- Review the state grantee’s strategy for integrating WIA and Wagner-Peyser business services.
 - What criteria or measures is the state grantee using to evaluate the effectiveness of its efforts to integrate WIA and Wagner-Peyser business services?
 - What progress is the state grantee making to implement its integration strategy?
- Review the state grantee’s strategy to use statewide reserve funds as an incentive to integrate the one-stop delivery system? §134(a)(2)(B)(v)
 - What criteria or measures has the state grantee established to evaluate the effectiveness of its strategy?
 - What progress is the state grantee making to use statewide reserve and incentive funds as part of its integration strategy?
- Review the state grantee’s strategy for integrating and aligning services to dislocated workers through WIA rapid response and WIA dislocated worker programs.
 - What criteria or measures, including the level of co-enrollment, has the state grantee established to evaluate the effectiveness of its strategy to integrate services to dislocated workers?
 - What progress is the state grantee making to implement its strategy to integrate services provided to dislocated workers?
- Review the state grantee’s strategy for integrating services to youth.
 - What criteria or measures has the state grantee established to identify the extent to which youth formula programs funded under § 128(b)(2)(A) are integrated into the one-stop system?
 - What progress is the state grantee making to implement its strategy for coordinating WIA Title I youth service programs with Job Corps? §112(b)(18)(c)?

- Review the state grantee’s strategies for reducing overhead, eliminating duplication, simplifying administration and gaining efficiencies.
 - What criteria or measures has the state grantee established to evaluate the effectiveness of its efforts to streamline administration?
 - What progress is the state grantee making to implement these strategies?
 - What programs or funding streams are being targeted to streamline operations and reduce administration?
 - Supplemental Guidance for Formula Grants – Local
 - In addition to the question below, the questions under Core Grant Guidance above for this particular indicator should all be included in a local Formula Grant review.

Review local WIA-WP Plan, if available.

- How have the state’s efforts to promote integration (through policy, incentives, models, etc.) impacted the local grantee’s integration efforts?

Sources and Notes:

<p>OBJECTIVE 1.4 Leadership: The state grantee exercises and promotes the leadership required to assure its strategies successfully accomplish the goals of the formula grant.[WIA §§ 111, 112, 117; 20 CFR 661.205 and 661.305] (New for Formula)</p>	<p>Tools Directory: R.1.4.1 Youth Council Composition Reference Guide Also see T.1.2.1 Youth Council and Services Assessment Tool</p>
<p>Summary of Indicators</p> <p><input type="checkbox"/> 1.4.1 The state grantee provides the strategic leadership required to achieve formula grant goals. C</p> <p><input type="checkbox"/> 1.4.2 Effective leadership to achieve local strategic goals is clearly evident at the local level. C</p>	
<p>Indicator 1.4.1 (C)</p>	
<p><input type="checkbox"/> The state grantee provides the strategic leadership required to achieve formula grant goals. (New for Formula)</p>	
<p><u>Supplemental Guidance for Formula Grants – State</u> <i>Consult ETA Planning Guidance and Instructions and State Plan Review Tool. Review WIA § 112.</i></p> <p><i>There are additional performance measure questions associated with this indicator included in Indicator 5.5.3.</i></p> <ul style="list-style-type: none"> ▪ Does the structure of the SWIB conform to the structure as described in the state plan? (§111(b)(1).) ▪ Has the state workforce investment board established a strategic role for itself? ▪ Does the SWIB have a strategic plan that establishes a work plan for achieving its strategic goals? ▪ Do minutes from meetings reflect the SWIB’s focus on broad education, economic, workforce strategic goals? ▪ Does the SWIB seek feedback from its strategic partners in business, economic development and education regarding its leadership effectiveness? If so, what feedback has been received and what actions have been taken in response to feedback received? ▪ What are the state grantee’s strategies to assure effective and consistent communication with local workforce investment areas and local boards (e.g., branding)? §112(b)(1). <p><u>Sources and Notes:</u> <i>Note: Alternative entities that were grandfathered in as state/local boards (per WIA § 111(e) and § 117(i)) may not be held accountable for some sections within the law based on the requirements in place at the time the entity was established. FPOs need to be aware of the flexibilities provided for such state boards and local boards.</i></p>	

Indicator 1.4.2 (C)

Effective leadership to achieve local strategic goals is clearly evident at the local level. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Interview state grantee staff responsible for or knowledgeable about the activities of local boards.

- What has the state grantee done to promote a regional orientation and regional coordination?
- What training and technical assistance has the state grantee provided or arranged to enhance board leadership at the local level?
- How are state funds used to provide incentives to the local youth services system to facilitate more effective service provision for youth?

Supplemental Guidance for Formula Grants - Local

- What are the roles and responsibilities of the LWIB and the local elected official(s)? Do they meet the minimum requirements of the statute (§117)? Is oversight of the fiscal agent, one-stop operator and others designated with key formula grant responsibilities one of the roles of the LWIB and Local Elected Official (LEO)?
- In what ways do the LWIB and chief elected officials provide strategic leadership locally?
- What evidence is there to support the LWIB’s position as a leader within the broader regional economy?
- To what extent and in what ways does the local board collaborate at a regional level?
- Has a Youth Council been established? Who are the members and what are the roles and responsibilities? Are all required members represented? In what areas has the Youth Council been given the authority to make decisions? How effective has the Youth Council been in its role of coordinating youth services in the local area? See 20 CFR 661.305(b).
- Has a youth collaborative team been established? What is its role? How does it ensure the accomplishment of the following youth program goals?
 - Improving the quality of alternative education?
 - Assuring that youth resource investments are in line with job opportunities in the local economy?
 - Prioritizing resource investments to serve youth who are most in need?
 - Assuring that youth programs are performance based and focused on outcomes?

Sources and Notes:

See note in 1.4.1 above regarding “alternative entities.”

<p>OBJECTIVE 1.5 One-stop systems: Local one-stop systems are designed around the state grantee’s strategic priorities and operate in accordance with them. [WIA §§ 111(d)(2), 134(c); 20 CFR 661.205 and 662.100] (New for Formula)</p>	<p>Tools Directory: R.1.5.1 One-Stop Center Assessment Guide - see 1.5.1</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 1.5.1 The state grantee has established and enforces minimum service delivery requirements for comprehensive one-stop centers to assure service quality. C</p> <p><input type="checkbox"/> 1.5.2 The state grantee has developed innovative service delivery strategies, tools and products to support integrated service delivery through the one-stop system. E</p>	

<p>Indicator 1.5.1 (C)</p>
<p><input type="checkbox"/> The state grantee has established and enforces minimum service delivery requirements for comprehensive one-stop centers to assure service quality. (New for Formula)</p>
<p><u>Supplemental Guidance for Formula Grants – State</u> <i>Review the minimum requirements for one-stop centers outlined in the State’s WIA-WP Plan (relates to ETA Planning Guidance and Instructions and State Plan Review Tool; Unified Planning Guidance; and WIA §112(b)(4)).</i></p> <p><i>Also review §112(b)(1) of WIA for local one-stop system requirements.</i></p> <p><i>Review the state grantee’s policies related to local one-stop systems and any available reports from state monitoring/oversight of local one-stop systems to assess how requirements are being enforced. If the state grantee has adopted a certification or chartering process for local one-stop systems, obtain and review information on this process, including the tool(s) used for certification or chartering.</i></p> <p><i>Review of this indicator should be performed in conjunction with Indicators 1.5.2, 4.1.5 and 4.1.6.</i></p> <ul style="list-style-type: none"> ▪ What minimum requirements has the state grantee established for comprehensive one-stop centers? ▪ How does the state grantee ensure that minimum one-stop delivery system requirements are clearly communicated to local areas? ▪ To what extent and how does the state grantee communicate its service quality expectations for local one-stop systems to local areas? ▪ For state grantees who have established local one-stop system certification or chartering processes: <ul style="list-style-type: none"> ○ How is this certification or chartering process used to reinforce the state grantee’s service quality expectations for local one-stop delivery systems? ○ In what specific ways do certification or chartering criteria address service quality? ○ What proportion of local one-stop systems have been certified or chartered? What is the state grantee doing to help non-certified or chartered local areas to become certified or chartered?

- How effectively and in what specific ways is the state grantee enforcing minimum requirements and service quality expectations for local one-stop delivery systems as described in the state plan and policy? §112(b)(14).
 - How often does the state grantee monitor or conduct oversight of local one-stop delivery systems to ensure these systems are meeting minimum requirements and the state grantee’s service quality expectations?
 - How does the state grantee ensure that issues identified during monitoring of local one-stop delivery systems are satisfactorily addressed and resolved?
- How does the state grantee identify and provide technical assistance to local areas whose one-stop delivery systems do not meet minimum requirements or service quality expectations?

Supplemental Guidance for Formula Grants – Local

If applicable and available, review the report from the state grantee’s most recent monitoring review of the local area.

- To what extent are local area staff aware of and clear about the state grantee's minimum requirements and service quality expectations for local one-stop systems? Which communications vehicle was most helpful in making them aware of these requirements and expectations?
- To what extent does the local one-stop system appear to comply with the minimum requirements the state grantee has established?
- If the LWIB is providing training services, does it have a current governor's waiver to do so, and does the waiver meet the statutory requirements 117(f)(1)(B), (C).
- What has been the local area’s experience with technical assistance the state grantee has provided to help the local area meet minimum one-stop delivery system requirements or service quality expectations?
- Has the local one-stop center been monitored by the state in the last year? Were any issues identified in terms of the center meeting the state's minimum requirements? If so, have they been resolved?
- Is the center "certified" by the state? To what extent are the FPOs onsite observations of the local one-stop system consistent with the state grantee’s certification or chartering decisions, if applicable?

Sources and Notes:

Indicator 1.5.2 (E)

- The state grantee has developed innovative service delivery strategies, tools and products to support integrated service delivery through the one-stop system. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Review the State WIA-WP Plan to identify/assess service delivery strategies that support integration of service delivery in the one-stop system (relates to ETA Planning Guidance and Instructions and State Plan Review Tool and/or Unified Planning Guidance and WIA §112 (b)(10)).

Identify the state grantee’s strategy to involve faith-based and community-based organizations in local one-stop systems, and to increase access of their customers to services of one-stop delivery systems.

Review of this indicator should be performed in conjunction with Indicators 1.5.1, 4.1.5 and 4.1.6.

There are additional performance measure questions associated with this indicator included in Indicator 5.5.3.

- What innovative service delivery strategies, models, templates or approaches has the state designed to:
 - Maximize resources?
 - Increase service levels?
 - Improve service quality?
 - Achieve better service integration?
 - Deliver effective business services?
 - Increase services to the neediest youth?
 - Make faith-based and community-based organizations active and committed partners in local one-stop delivery systems?
 - Help local one-stop systems develop a unique identity for the one-stop as a separate, discrete entity?
 - Meet other strategic goals?
- Which of these strategies or approaches does the state grantee mandate? Which are optional?
- How does the state grantee measure progress, interim accomplishments and the success of each innovative strategy or approach? How does it use this information to continuously improve service delivery in local one-stop systems?

Supplemental Guidance for Formula Grants - Local

Identify which, if any, innovative service delivery strategies and approaches designed by the state grantee are being implemented in the local area. Obtain and review evaluation or other reports on the results of each innovative service delivery strategy and approach.

- What are the results and outcomes in the local area for any innovative service delivery strategies the state grantee mandates for local areas?
- Which optional strategies, models, templates and approaches the state grantee has developed are being used at the local level? Which ones have the most value from a local perspective? Which have the least value from a local perspective?
- How do local areas share the results of their experience with the state grantee?
- If the local board is providing core and/or intensive services, does it have the agreement of the local elected official and the governor to do so?

Sources and Notes:

CORE ACTIVITY 2

Program and Grant Management Services

Program and grant management systems support grant functions or activities that are necessary for the operation of a project but are not related to the direct provision of services. These grant functions include personnel, administrative and oversight, management information, and reporting systems. Those functions NOT incorporated in Core Activity 3—Financial Management Systems—are incorporated herein. In addition, activities are included when their purpose is to ensure compliance with applicable statutory, regulatory, and grant requirements common to all ETA grants.

CORE ACTIVITY 2 GENERAL INSTRUCTIONS

The purpose of the Core Activity 2 monitoring component is to evaluate the grantee’s capacity to perform the broad management functions that are required when operating federally funded workforce development grants. During this phase of monitoring, you will focus on nine program and grant management systems. Each objective focuses on a separate system or requirement and includes one or more indicators to assist in determining if the objective has been met.

To prepare for monitoring these core management functions, review the referenced authoritative citations that are in Appendix A. The appendix contains outlines of the compliance requirements that provide a quick reference for use in the field.

Summary of Findings for Core Activity 2	
Promising Practices	
Findings or High-Risk Factors	
Other Observations	

<p>OBJECTIVE 2.1 Administrative Controls: Administrative Controls are sufficient to ensure grant integrity [29 CFR 97.20, 40 & 42; 29 CFR Part 95.21, 51 & 53, 20 CFR 667.410(b)(3), 667.610 and 667.630].</p>	<p>Tools Directory: R2.1.4 Retention of Records Table T2.1.1 Policies and Procedures Checklist</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 2.1.1 The organization maintains policies and procedures for core management functions and program operations. C</p> <p><input type="checkbox"/> 2.1.2 Written monitoring tools and procedures are used to monitor all elements of the grant Statement of Work (SOW) against performance objectives and compliance with uniform administrative requirements. Monitoring tools and procedures are appropriate for subrecipient monitoring. (C)</p> <p><input type="checkbox"/> 2.1.3 The organization maintains written documentation including monitoring reports, findings, corrective actions, and resolutions for each grant monitored. E</p> <p><input type="checkbox"/> 2.1.4 Record retention policies that meet the requirements of applicable Federal laws and regulations are in place and followed. (Appendix A contains additional information on these requirements.) C</p> <p><input type="checkbox"/> 2.1.5 The grantee maintains a process for the closeout of grants and subgrants. E (Financial Supplement)</p> <p><input type="checkbox"/> 2.1.6 The grantee has a written grievance and complaint process that meets the requirements of applicable Federal law and regulations, and follows its process. C (Financial Supplement)</p> <p><input type="checkbox"/> 2.1.7 The grantee appropriately reports fraud, waste, abuse, and criminal activity through the Department of Labor (DOL) incident reporting system. C (Financial Supplement)</p>	

<p>Indicator 2.1.1 (C)</p>
<p><input type="checkbox"/> The organization maintains policies and procedures for core management functions and program operations.</p>
<p>Core Grant Guidance <i>Interview the primary staff responsible for the development and issuance of policy.</i></p> <ul style="list-style-type: none"> ▪ What determines that a policy is needed? Are there areas in which the need for policy has not been addressed? ▪ What is the process for developing and issuing policies? Is it followed? ▪ Who is on the distribution list? How is the list developed and maintained? ▪ Are all grantee policies currently in force included in the written record? <p>Supplemental Guidance for Formula Grants</p> <ul style="list-style-type: none"> ▪ List the areas responsible for developing internal and external specific policies. ▪ Does the organization have all of the policies and procedures that are applicable to their operation? If no, ask why and record explanation. (Tool 2.1.1 Policies and Procedures Checklist includes a

comprehensive list of likely policy areas.)

- Determine if the policies are up-to-date.
- How does the local area ensure that the local board and youth council collaborate on the oversight of the local youth program?

Sources and Notes:

Indicator 2.1.2 (C)

- Written monitoring tools and procedures are used to monitor all elements of the grant SOW against performance objectives and compliance with uniform administrative requirements. Monitoring tools and procedures are appropriate for subrecipient monitoring.

Core Grant Guidance

Review monitoring tools, e.g., protocols, manuals, and general instructions that relate to program monitoring. Compare these documents to the grant goals and the applicable Federal requirements.

- In terms of content, is the information reviewed in the monitoring tools aligned to both individual grant goals and the Federal requirements? If not, what is missing?
- Are the monitoring protocols and instructions clear and adequate to guide the monitoring process? Are the monitoring tools adaptable to all grants, or are there individual tools for each grant and subrecipient?
- How does the grantee develop its subrecipient monitoring schedule? Is it followed?
- Does there appear to be an assignment of risk to either subrecipients or to grants operated by the grantee? What is the basis for determining high-risk/low-risk levels?
- Are all elements of every grant and subgrant SOW monitored on at least an annual basis?

Supplemental Guidance for Formula Grants (C)

- Has the state conducted an annual onsite review of each local area's compliance with DOL's uniform administrative requirements, in accordance with the 20 CFR 667.410(b)(3)?
- Has the Governor certified to the Secretary that the state has: implemented uniform administrative requirements, monitored to ensure compliance, and taken appropriate corrective actions? [20 CFR 667.410(b)(7)]

Sources and Notes:

Indicator 2.1.3 (C)

- The organization maintains written documentation including monitoring reports, findings, corrective actions, and resolutions for each grant monitored.

Core Grant Guidance

Review all written documentation related to the grantee's monitoring activities, especially monitoring reports for the past year. Interview monitoring supervisor for clarification of any inconsistencies between the records and the information provided above.

- Are there any discrepancies between the records and the monitoring process and tools that were reviewed above? If so, what accounts for those?
- Are corrective actions followed-up? Are there any examples of how monitoring has led to corrective actions that either averted misuse of funds or resulted in improvements to program quality or efficiency?
- Is there a pattern in the records that shows:
 - monitoring procedures were not properly followed or inconsistently applied; or
 - other weaknesses in monitoring and oversight?

Supplemental Guidance for Formula Grants (C)

- Does the state follow the process for resolving monitoring findings as required by 20CFR 667.500 (a)?
- If not, have they prescribed standards and procedures to be used for this grant program?
- Has the state required prompt corrective action as required by 20CFR 667.410(b)(4)?
- If appropriate, have sanctions been imposed as required by 20 CFR 667.410(b)(5)?

Sources and Notes:

Indicator 2.1.4 (C)

- Record retention policies that meet the requirements of applicable Federal laws and regulations are in place and followed. (Appendix A contains additional information on these requirements.)

Core Grant Guidance

Review the grantee organization records retention and access policy. Interview staff responsible for record retention.

- Is the policy in compliance with applicable Federal laws and regulations? Ask for any clarification needed based on the review of the written policy document.
- Does it appear the written records retention and access policy reflects actual grantee organization practice?
- Is the physical location of the space used for record retention adequate and accessible?
- If records are in an electronic medium, is the medium likely to be outdated in three years and not accessible?

Sources and Notes:**Indicator 2.1.5 (E)**

- The grantee maintains a process for the closeout of grants and subgrants. (*Financial Supplement*)

Supplemental Guidance for Formula Grants

Review the grantee's closeout policies and procedures and verify that closeouts are completed on a timely basis. Interview staff responsible for internal and external closeout activities.

- Does the grantee have a system to closeout grants and subgrants?
- Are procedures effectively communicated to subrecipients to ensure that timely closeouts are submitted?

Sources and Notes:

Indicator 2.1.6 (C)
<input type="checkbox"/> The grantee has a written grievance and complaint process that meets the requirements of applicable Federal law and regulations, and follows its process. <i>(Financial Supplement)</i>
<p><u>Supplemental Guidance for Formula Grants</u> <i>Obtain and review a copy of the policy or policies. Use the following questions at either the state or local level.</i></p> <ul style="list-style-type: none"> ▪ Is there a written grievance and complaint policy and process in place as described at 20 CFR 667.600? <ul style="list-style-type: none"> ▪ Do these include: <ul style="list-style-type: none"> ○ Resolution process ○ Hearing policy ○ Timely scheduling of hearings ○ Hearing officer ○ Notification process for all parties ○ Communication of results ▪ Have all interested parties been informed of the policies and processes? (Note: interested parties include but are not limited to participants, staff, one-stop partners and service providers.) ▪ Have any grievances been received? ▪ Is a log kept of grievances received? ▪ If yes, is the log up to date? ▪ If not, how do they ensure their compliance with the closeout requirements at 29 CFR 97.50 and/or 95.71? ▪ Does the entity’s policy require that all costs are incurred only during the period of performance? ▪ Obtain a copy of the recipient’s grievance or complaint log(s). <ul style="list-style-type: none"> ▪ Do(es) the log(s) include: <ul style="list-style-type: none"> ○ Name(s) of grievant(s) ○ Name(s) of defendants? ○ Names of subrecipients involved or other interested parties ○ Dates of significant actions ○ Status of the grievance or complaint (closed, in process, open, etc.)

Supplemental Guidance for Wagner-Peyser/Employment Service (C)

Determine where the responsibility for the state agency complaint system is assigned and conduct a review of the function by interviewing the responsible staff.

- Are all complaints handled by the same staff? Are complaints made by or on behalf of migrant and seasonal farmworkers (MSFW) handled in accordance with the requirements of 20 CFR 658.410 - 418?
- What kind of centralized control procedures have been established for the complaint log and handling of complaints and files relating to Job Service (JS)-related complaints? 20 CFR 658.410(c)(1)
- Have there been any JS-related MSFW complaints against employers in the past year? If so, how were they handled? 20 CFR 658.415(c)(d) and 658.416(b)(d)

If problems are identified as a result of the review of complaint files, ask staff to explain what they think could account for these issues and how they will be/have been addressed.

Sources and Notes:**Indicator 2.1.7 (C)**

- The grantee appropriately reports fraud, waste, abuse, and criminal activity through the DOL incident reporting system. (*Financial Supplement*)

Supplemental Guidance for Formula Grants

Check to see if any incident reports have been filed by the entity in the last three years. Interview grantee staff to make sure that they are aware of the DOL incident reporting process.

- Does the grantee have a copy of the DOL incident reporting procedures and process?
- Have they filed any incident reports?
- Were they filed with the DOL Office of the Inspector General (OIG) and ETA?
- What is the system for tracking and resolving incident reports?
- Have all incidents been resolved? If not, what is the current status?

Note to reviewer: *Incident reporting procedures are included in Training and Employment Guidance Letter (TEGL) 06-84 and 20 CFR 667.630. The hotline number is 1-800-347-3756. The most recent ETA guidance is Employment and Training Order (ETO) No. 1-10 issued on September 24, 2010.*

Sources and Notes:

<p>OBJECTIVE 2.2 Personnel: The management structure and staffing of the grantee organization are aligned with the grant SOW and designed to assure responsible general management of the organization [2 CFR Part 225 (Office of Management and Budget (OMB) Circular A-87) Attachment A.2.a; 2 CFR Part 230 (OMB Circular A-122) Attachment A.2.a, P.L. 109-234].</p>	<p>Tools Directory: T.2.2.1 Compensation Review Tool (See 2.2.4)</p>
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<p>Summary of Indicators</p>	
<input type="checkbox"/>	<p>2.2.1 A current written personnel policy (including hiring process and procedures) that meets the requirements of applicable Federal laws and regulations is on file and in force. (Appendix A contains additional information on these requirements.) C</p>
<input type="checkbox"/>	<p>2.2.2 An organizational chart and job descriptions illustrate a staffing structure that is sufficient to perform grant management functions and implement the grant SOW. E</p>
<input type="checkbox"/>	<p>2.2.3 Organizational chart staff positions are filled with individuals that possess the qualifications indicated on job descriptions. E</p>
<input type="checkbox"/>	<p>2.2.4 Salaries are reasonable and comparable to the local market. C (Financial Supplement)</p>

<p>Indicator 2.2.1 (C)</p>	
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<input type="checkbox"/>	<p>A current written personnel policy (including hiring process and procedures) that meets the requirements of applicable Federal laws and regulations is on file and in force (Appendix A contains additional information on these requirements.)</p>
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Core Grant Guidance

Review the personnel policy of the grantee organization. Interview staff responsible for personnel or human resources for the organization. Review a listing of the grantee organization’s job openings for the past 12 months.

- Does the organization have a written discrimination complaint procedure?
- Is the policy in compliance with applicable Federal laws and regulations? (Refer to Appendix A to reference requirements.)
- Does it appear the written personnel policy reflects current grantee organization practice?
- Do records indicate that hiring procedures were conducted according to the grantee’s organization personnel policy?
- Do procedures for hiring personnel pose an impediment to meeting grant implementation schedules?
- Are there any examples of how hiring delays caused by grantee organization hiring procedures impeded project startup or implementation?

Supplemental Guidance for Formula Grants

- Does the grantee follow merit staffing requirements for Wagner-Peyser, except where waived?

Sources and Notes:

Indicator 2.2.2 (E)

- An organizational chart and job descriptions illustrate a staffing structure that is sufficient to perform grant management functions and implement the grant SOW.

Core Grant Guidance

Review the grantee organizational chart. Interview the executive staff person responsible for the direction and management of the grantee organization.

- Does the Equal Opportunity (EO) Is “The Law” (see 2.31 bullet) notice provide contact information for the grantee organization’s EO officers, an overview of the discrimination complaint process, and how complaints may be filed?
- Does the organizational chart present a staffing structure that provides capacity for the key functions such as:
 - Executive
 - Fiscal
 - Management Information Systems
 - Program Operations
- Are there any gaps evident in the grantee organization management and staffing structure?
- Review job descriptions for one or two primary staff responsible for performing key grant functions. Do the job descriptions delineate responsibilities, duties, and required experience, skills, and qualifications that clearly describe the expectations and requirements of the positions in order to provide grantee organization capacity in these key functional areas?
- If the grant contains specific staffing requirements, review a written description of the current staffing pattern and compare this information with staffing patterns as described in the grant contract. Are the current project staffing patterns in accordance with the grant contracts? If there are deviations, how are they being addressed?

Sources and Notes:**Indicator 2.2.3 (E)**

- Organizational chart staff positions are filled with individuals that possess the qualifications indicated on job descriptions.

Core Grant Guidance

Review documentation that lists organizational chart positions, qualifications for the positions as delineated on job descriptions, and the qualifications of staff currently employed in each position. Note: you may be required to compile the list from grantee source documentation. You may also choose a sample to document.

- Are positions currently filled with individuals that possess the qualifications indicated on job descriptions?
- If there are deviations, how are they being addressed?

Supplemental Guidance for Formula Grants

- Has the state formed and appropriately staffed the rapid response/dislocated worker unit required by 20 CFR 665.300(c)?

Sources and Notes:**Indicator 2.2.4 (C)**

- Salaries are reasonable and comparable to the local market. (*Financial Supplement*)

Supplemental Guidance for Formula Grants

Interview the staff person responsible for the management of compensation for the grantee organization. This review should include both employees and contract staff who fill the top positions of the organization. Review the grantee's approved budget against actual personnel expenditures. Interview the executive staff person responsible for the direction and management of the grantee organization.

- How is compensation determined for state and local board members and for top or key positions within the organization (Executive Director, Program Director, Chief Operations Officer, Chief Financial Officer, etc.), which are wholly or in part funded within the grant?
 - What is included? (e.g., bonuses, car allowance, loan forgiveness, etc.)
 - Who approves it?
 - How are revisions and exceptions handled?
 - What was the basis for establishing the reasonableness of these packages?
- List the total annual amount of the compensation package paid to each of these individuals.
- How is this package different from the compensation package made available to all members of the organization?
- Is all compensation paid from funds appropriated to ETA in compliance with the requirements of Public Law (P.L.) 109-234? (See TEGl 5-06, Implementing the Salary and Bonus Limitations in P.L. 109-234, issued August 15, 2006.) Note: Use the compensation review tool to calculate any variances.

Sources and Notes:

<p>OBJECTIVE 2.3 Civil Rights: Recipients of financial assistance from the DOL must comply with applicable Federal Civil Rights laws [Title VI, Section 504 of the Rehabilitation Act of 1973; Title IX, Age Discrimination Act of 1975; WIA § 188; 29 CFR Part 31; 29 CFR Part 32; 49 CFR Part 25; 29 CFR Part 35; and, 29 CFR Part 37, respectively]. Note: all findings and observations need to be shared with the Civil Rights Center.</p>	<p>Tools Directory:</p>
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<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 2.3.1 Policies and procedures developed in accordance with applicable laws and regulations are in place that demonstrate the grantee’s commitment to the principles of the laws and regulations. (Appendix A contains additional information on these requirements.) C</p> <p><input type="checkbox"/> 2.3.2 Notices (in languages appropriate to the populations served) are visibly posted to inform staff, project participants, and service providers of the discrimination complaint process, EO, and Section 504 policies. C</p> <p><input type="checkbox"/> 2.3.3 The grantee location and facility, or part of the facility, is physically accessible to and usable by disabled individuals. C</p>
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<p>Indicator 2.3.1 (C)</p>

<p><input type="checkbox"/> Policies and procedures developed in accordance with applicable laws and regulations are in place that demonstrate the grantee’s commitment to the principles of the laws and regulations. (Appendix A contains additional information on these requirements.)</p>
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<p><u>Core Grant Guidance</u></p> <p><i>DOL financial assistance recipients must comply with these Federal Civil Rights laws:</i></p> <p><i>Title VI – Civil Rights Act of 1964</i> <i>Section 504 – Rehabilitation Act</i> <i>Title IX, Education Amendments Act of 1972</i> <i>Age Discrimination Act of 1975</i> <i>Section 188 of the Workforce Investment Act</i></p> <p><i>Interview the grantee’s EO officer and/or staff assigned responsibility for ensuring the organization’s compliance with these laws.</i></p> <ul style="list-style-type: none"> ▪ Does the organization have a written discrimination complaint procedure? ▪ Does the organization use wording required by 29 CFR 37.34 in publications, materials, and brochures? ▪ Does the organization have a system for periodically monitoring their compliance with the EO law? ▪ Does the organization prominently post an “EO Is The Law” notice with wording mirroring 29 CFR 37.30? <p><u>Supplemental Guidance for Formula Grants</u></p> <ul style="list-style-type: none"> ▪ Does the state have a signed copy of the Methods of Administration (MOA) required by 29 CFR 37.54(b)(3)?
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- Does the organization include applicable regulations for Faith Based Community Initiative grants required by 29 CFR 37.6(f) in the signed MOA?
- Does the organization have any previously submitted cases awaiting decision from the Civil Rights Center? If yes, contact Civil Rights Center Office of Enforcement/External at 202-693-6502 for updates.

Sources and Notes:

Indicator 2.3.2 (C)

- Notices (in languages appropriate to the populations served) are visibly posted to inform staff, project participants, and service providers of the discrimination complaint process, EO, and Section 504 policies.

Core Grant Guidance

Observe the notices that the grantee organization has posted to inform individuals of their rights related to complaints regarding compliance with EO and Section 504.

- Does the “EO Is The Law” (see 2.31 bullet) notice provide contact information for the grantee organization’s EO officers, an overview of the discrimination complaint process, and how complaints may be filed?
- Are notices prominently posted in a reasonable number of places to include administrative and service delivery areas, and are they available in appropriate formats to individuals with visual impairments?
- If a significant number of the population eligible to be served speaks a language or languages other than English, has the grantee organization taken reasonable steps to provide the notice in the appropriate language(s)?
- Do employment notices, participant recruitment flyers, or other written materials published by the grantee contain a statement providing the required written EO notice?

Sources and Notes:

Indicator 2.3.3 (C)
<input type="checkbox"/> The grantee location and facility, or part of the facility, is physically accessible to and usable by disabled individuals.
<p><u>Core Grant Guidance</u> <i>Do a walk-through of the grantee organization facility.</i></p> <ul style="list-style-type: none">▪ Does the location and facility meet physical access requirements? (Refer to Appendix A to reference requirements.) <p><u>Sources and Notes:</u></p>

<p>OBJECTIVE 2.4 Sustainability: If required, there is a viable plan for sustaining grant activities for those grants whose funds are scheduled to expire [SOW]. Note: not applicable to formula grants</p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 2.41 The organization has identified resources that will support project activities after the grant expires. E</p> <p><input type="checkbox"/> 2.42 A plan is in place for continuation of services to participants who have not completed the program by the end of the grant period. E</p>	

<p>Indicator 2.41 (E)</p>
<p><input type="checkbox"/> The organization has identified resources that will support project activities after the grant expires.</p>
<p><u>Core Grant Guidance</u> N/A</p> <p><u>Sources and Notes:</u></p>

<p>Indicator 2.42 (E)</p>
<p><input type="checkbox"/> A plan is in place for continuation of services to participants who have not completed the program by the end of the grant period.</p>
<p><u>Core Grant Guidance</u> N/A</p> <p><u>Sources and Notes:</u></p>

Indicator 2.5.2 (C)
<input type="checkbox"/> When applicable, the organization maintains a system to calculate and track the use of leveraged resources.
<p><u>Core Grant Guidance</u> <i>Review the grant to determine if the use of leveraged resources is required to support grant activity. Ask to review the process used by the grantee organization to determine the calculation of leveraged resources. Interview staff responsible for documenting the use of leveraged resources</i></p> <ul style="list-style-type: none"> ▪ Does the organization have a written process to define and track the use of leveraged resources? If not, how does the grantee track their use? ▪ Does the organization appropriately report the use of leveraged resources in their performance reports? <p><u>Sources and Notes:</u></p>

Indicator 2.5.3 (C)
<input type="checkbox"/> Records are available and demonstrate that match is being tracked.
<p><u>Core Grant Guidance</u> <i>Review financial records that document required match grant(s) being operated by the grantee organization.</i></p> <ul style="list-style-type: none"> ▪ Are costs and third-party in-kind contributions that are being counted toward satisfying the match requirement verifiable from the financial records? ▪ Do records indicate the extent to which match is being tracked? <p><u>Sources and Notes:</u></p>

<p>OBJECTIVE 2.6 Equipment: Grantees who purchase equipment with grant funds have a system in place, including written policies and procedures, to ensure it receives written approval <i>prior</i> to purchasing equipment. The grantee maintains a property management system in accordance with requirements [29 CFR 95.34 and 29 CFR 97.32].</p>	<p>Tools Directory:</p>
<p>Summary of Indicators</p> <p><input type="checkbox"/> 2.6.1 The grantee has a system for the acquisition, management, and disposition of equipment purchased with grant funds. C</p> <p><input type="checkbox"/> 2.6.2 The grantee has sought and received approval prior to purchasing equipment and has written evidence of prior approval received for items of equipment it has purchased with grant funds. (C for subrecipients)</p>	
<p>Indicator 2.6.1 (C)</p>	
<p><input type="checkbox"/> The grantee has a system for the acquisition, management, and disposition of equipment purchased with grant funds.</p>	
<p><u>Core Grant Guidance</u> Review the organization’s policies and procedures on purchasing, managing, and disposing of equipment.</p> <ul style="list-style-type: none"> ▪ Do they have policies and procedures? If not, how do they comply? ▪ Does the organization maintain an inventory of equipment purchased with ETA funds? <p><u>Sources and Notes:</u></p>	

Indicator 2.6.2 (C for subrecipients)

- The grantee has sought and received approval prior to purchasing equipment and has written evidence of prior approval received for items of equipment it has purchased with grant funds.

Core Grant Guidance

Ask the organization how and when it obtains approval for purchasing equipment. Request evidence that the organization has sought and received written approval prior to purchasing equipment. Document their responses to your inquiries and the extent to which they are in compliance with this indicator.

- How and when does the organization obtain approval for the purchase of equipment?

Supplemental Guidance for Formula Grants

For formula programs, this prior approval authority has been delegated to the Governor.

- Does the state have a process to ensure that all subrecipients, including subrecipients of local areas request prior approval for purchase of equipment?
- For capital leases of equipment, has prior approval been received?

Sources and Notes:

<p>OBJECTIVE 2.7 Procurement: All procurement actions are conducted in a manner that provides for “full and open competition” [29 CFR 97.36; 29 CFR 95.40-48; WIA § 184(a)(3)(B), 20 CFR 667.200(c)(5)].</p>	<p>Tools Directory: T.2.7.1a RFP Elements Checklist T.2.7.3 Contract and Subagreement Review Worksheet</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 2.7.1 The organization follows their own procurement procedures which reflect applicable state and local laws and regulations, provided that their procurements conform to applicable Federal laws and standards. C</p> <p><input type="checkbox"/> 2.7.2 The organization maintains a system for the administration of contracts, including appropriate contract or subrecipient clauses. C</p> <p><input type="checkbox"/> 2.7.3 Reasonable profits paid to a commercial organization are negotiated separately as a dollar amount. C (<i>Financial Supplement</i>)</p>	

Indicator 2.7.1 (C)

The organization follows their own procurement procedures which reflect applicable state and local laws and regulations, provided that their procurements conform to applicable Federal laws and standards.

Core Grant Guidance

Ask for a copy of procurement rules or other written guidelines that are used in the procurement of both goods and services. Interview staff or members who are familiar with procurement requirements.

- Does the organization have written procurement policies and procedures?
- Do the organization’s procurement policies and procedures conform to applicable rules and regulations?
- How does the organization assure that it conducts procurement activities in a manner to ensure full and open competition? Document your observations of the extent to which the organization appears to use full and open competition to procure its goods and services.

Supplemental Guidance for Formula Grants

- Do the organization’s procurement procedures provide for:
 - All procurement contracts and other transactions between local boards and units of state or local governments are conducted only on a cost reimbursement basis.
 - No provision for profit is allowed as identified in WIA § 184(a)(3)(B).
 - Any revenue in excess of costs must be recognized as program income and not profit.
- Do they follow their procedures?
- How is the selection of a one-stop operator conducted? [20 CFR 662.410]
 - Designation/Certification?
 - Competitive Process?
- Does the organization competitively procure the services related to the ten elements for the youth program? [20 CFR 664.405(a)(4)]

Sources and Notes:

Indicator 2.7.2 (C)

- The organization maintains a system for the administration of contracts, including appropriate contract or subrecipient clauses. **C**

Core Grant Guidance

Interview staff or members who are familiar with subgrant or subcontract processes. Ask for a copy of required contract and/or grant clauses.

- Does the organization have a boilerplate contract or subrecipient format?
- Are the required clauses included?

Supplemental Guidance for Formula Grants

For formula grants, there are other types of agreements such as inter-agency agreements. These also may be made by a variety of awarding entities, such as state boards, local boards or other state agencies. You need to make sure that for all types of agreements, the procedures for administration are adequate.

Sources and Notes:**Indicator 2.7.3 (C)**

- Reasonable profits paid to a commercial organization are negotiated separately as a dollar amount. **C**
(Financial Supplement)

Supplemental Guidance for Formula Grants

- Is profit recognized in whole dollars and reasonable in terms of the services rendered or goods provided?

Sources and Notes:

<p>OBJECTIVE 2.8 Audit and Audit Resolution: The organization has a system in place for an audit of financial activity in accordance with the provisions of OMB Circular A-133, if applicable. The organization maintains an audit and audit resolution process, including debt collection in accordance with Federal grant requirements [29 CFR 99.200; 29 CFR Part 96; 29 CFR 95.20; 29 CFR 97.20].</p>	<p>Tools Directory:</p>
<p>Summary of Indicators</p> <p><input type="checkbox"/> 2.8.1 The organization maintains a system for audit in compliance with OMB Circular A-133. C</p> <p><input type="checkbox"/> 2.8.2 The organization has a system in place to assure subrecipient audits are conducted and resolved. C</p> <p><input type="checkbox"/> 2.8.3 The organization is aware of and has met the financial system requirements, including established processes for debt collection. C</p>	
<p>Indicator 2.8.1 (C)</p>	
<p><input type="checkbox"/> The organization maintains a system for audit in compliance with OMB Circular A-133. C</p>	
<p><u>Core Grant Guidance</u> <i>Organization-wide or program-specific audits must be conducted under the auspices of OMB Circular A-133, which implements the Single Audit Act, when total Federal expenditures are \$500,000 or more for an organizational fiscal year ending after December 31, 2003. Interview appropriate staff and document their response. If the organization had an audit done, and questioned cost or findings arose as a result of the audit, obtain a copy of the organization’s audit report. If applicable, obtain a written status report of the questioned costs and/or findings</i></p> <ul style="list-style-type: none"> ▪ Is the organization aware of the audit requirements? ▪ What is the latest period for which an audit was conducted? ▪ Was the latest audit organization-wide (A-133) or program-specific? <p><u>Supplemental Guidance for Formula Grants</u> <i>Obtain a copy of the entity’s most recent audit report. Based on the report, answer the following questions.</i></p> <ul style="list-style-type: none"> ▪ Was the audit completed in a timely manner (no later than 9 months after the end of the entity’s fiscal year)? ▪ Are Federal award questioned costs identified? <ul style="list-style-type: none"> ○ If yes, determine what actions have been taken to resolve. <p><u>Sources and Notes:</u></p>	

Indicator 2.8.2 (C)

The organization has a system in place to assure subrecipient audits are conducted and resolved.

Core Grant Guidance

Organization-wide or program-specific audits must be conducted under the auspices of OMB Circular A-133, which implements the Single Audit Act, when total Federal expenditures are \$500,000 or more for an organizational fiscal year ending after December 31, 2003. Interview appropriate staff and document their response. Review documentation that would support the answers below (tracking system, audit reports, contract requirements).

- How does the organization determine the need for audits of subrecipients?
- What processes are followed to resolve subrecipient audit findings?
- Does the organization have a tracking system in place to ensure that all required subrecipient audits are received in a timely manner and resolved in accordance with audit requirements?

Supplemental Guidance for Formula Grants

Commercial subrecipients who spend more than the minimum expenditure level specified at OMB Circular A-133 are required to have either an organization-wide or program-specific audit conducted in accordance with A-133 requirements.

- If applicable, has the organization obtained an audit report from its subrecipients?
- Does the grantee review audits for adequacy and compliance with A-133 requirements?
- Review a sample of the subrecipient audits and resolutions.
 - Are findings resolved adequately and in a timely manner?
 - Was an appropriate appeals process followed, if applicable?
- As part of its monitoring responsibilities, does the organization follow-up with the proposed corrective action on outstanding audit findings?

Sources and Notes:**Indicator 2.8.3 (C)**

The organization is aware of and has met the financial system requirements, including established processes for debt collection.

Core Grant Guidance

Ask the financial staff what procedures are in place to establish a debt, when necessary, and what procedures are in place to recover an established debt.

- Does the organization have procedures to establish a debt when necessary with a subrecipient, contractor, or another other organization?
- Does the organization have procedures in place to ensure debts are collected?
- Does the organization have policies concerning writing off debts (receivables)?

Sources and Notes:

<p>OBJECTIVE 2.9 Reporting Systems: The organization maintains data collection and reporting systems to fulfill external reporting requirements, both financial and programmatic [29 CFR 95.21(b)(1); 29 CFR 97.20(2)(b)(1); 29 CFR 97.40; 29 CFR 97.41; 29 CFR 95.51; 29 CFR 95.52].</p>	<p>Tools Directory:</p>
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<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 2.9.1 Federally-required reports are submitted within designated timeframes and are consistent with data in the MIS. C</p> <p><input type="checkbox"/> 2.9.2 The MIS produces periodic management reports related to project goals and the work plan. E</p> <p><input type="checkbox"/> 2.9.3 The MIS includes a data validation process to ensure accurate input of source data, including source documentation. E</p>

<p>Indicator 2.9.1 (C)</p>

<p><input type="checkbox"/> Federally-required reports are submitted within designated timeframes and are consistent with data in the MIS.</p>
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Core Grant Guidance

Review MIS reports representing a sample of different reporting periods for both program reports and financial reports and compare them with the required corresponding Federal reports applicable to the same grants and time period. Consult with the appropriate staff for clarification as needed. Prior to going on-site, review the submission record of the organization for Quarterly Financial Status Reports (QFSRs) or SF-269s [now submitted on the ETA-9130] to ensure they are submitting accurate and complete reports electronically in a timely manner.

- Does the organization submit its financial reports electronically (if available)?
- Does the organization submit its QFSR or SF-269 in a timely manner?
- Do the MIS reports reflect the same data for the time period and grant sampled as it appears on the Federal report? If not, what is the explanation for the variance?
- Where MIS reports are not directly linked to the Federal reports, how is data cross-walked to complete Federal reporting requirements?
- Summarize your conclusions about any identified weaknesses in the procedures for linking MIS data to the Federal reports. Confirm or correct your understanding of the system and its weaknesses, if any, based on staff interviews.

Supplemental Guidance for Formula Grants

- Does the state submit its annual report(s) in a timely manner? 20 CFR 667.400(e)
- Does the state submit its ETA 9002 report(s) in a timely manner?
- What system does the state use to obtain data from the local level and from statewide activity subrecipients?
- Have reporting instructions and formats been issued for all required data elements?

Sources and Notes:

Indicator 2.9.2 (C)

The MIS produces periodic management reports related to project goals and the work plan.

Core Grant Guidance

Review interim or periodic project reports produced by the MIS. Interview project administrators of the sampled grants.

- Is there a logical link between the progress report formats and the grant goals?
- If there are no MIS reports on interim objectives, are there other means for capturing this information?

Supplemental Guidance for Formula Grants

- Do the project goals reflect data submitted in the required Workforce Investment Act Standardized Record Data (WIASRD) reports?

Sources and Notes:**Indicator 2.9.3 (E)**

The MIS includes a data validation process to ensure accurate input of source data, including source documentation.

Core Grant Guidance

Review MIS policies and procedures, examples of source data, and relevant performance data. Are positions currently filled with individuals who possess the qualifications indicated on job descriptions?

- Is a data validation process included in the policies and procedures?
- Does the staff follow the policies and procedures for editing and checking source data?
- Is the source documentation available and consistent with MIS data?
- Do you believe that policies and procedures in place are adequate to ensure accuracy?

Sources and Notes:

<p>OBJECTIVE 2.10 WIA Waivers: Grantee organization has appropriately implemented the ETA approved waiver of WIA provisions as specified in §189(i)(4) or 192 of the Workforce Investment Act (New for Formula).</p>	<p>Tools Directory: R.2.10.2 Waiver Monitoring Desk Reference</p>
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<p>Summary of Indicators</p>	
<p><input type="checkbox"/> 2.10.1 The grantee has implemented the waiver provisions in a manner that is consistent with the terms and conditions described in the waiver request and as approved by ETA. C</p>	
<p><input type="checkbox"/> 2.10.2 The grantee has implemented appropriate safeguards or controls as needed to ensure the integrity of the funds or as specified in the request approval. C</p>	
<p><input type="checkbox"/> 2.10.3 The grantee has achieved or is meeting its plan for achieving the goals and programmatic outcomes specified in the waiver request and approval. E</p>	

<p>Indicator 2.10.1 (C)</p>	
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<p><input type="checkbox"/> The grantee has implemented the waiver provisions in a manner that is consistent with the terms and conditions described in the waiver request and as approved by ETA. (New for Formula)</p>

<p><u>Supplemental Guidance for Formula Grants</u> <i>Review the grantee’s waiver request and ETA’s approval of the waiver. Note the specific steps that the grantee stated it would take to implement the waiver. Also note any special conditions or limitations attached to the grantee’s request and/or ETA’s approval of the waiver. Interview staff responsible for implementing the waiver and review documentation used to track the implementation of the waiver.</i></p> <ul style="list-style-type: none"> ▪ Did the grantee identify the specific action steps it would take to fully implement the waiver? If not, how does the grantee intend to determine what actions are needed? ▪ Have the specific actions been completed for each step in the implementation process? Has the waiver been fully implemented? Was it implemented in a timely manner? ▪ Are there any special conditions or limitations attached to the grantee’s request and/or ETA’s approval of the waiver? If yes, have these conditions or limitations been strictly adhered to? ▪ Where applicable, has the waiver been targeted toward the individuals or groups identified in the waiver request? ▪ Has the grantee followed its described process for monitoring the progress in implementing the waiver? ▪ If the grantee is not on schedule to implement the waiver, what actions is it taking to achieve the planned result? ▪ Does the grantee have in place policies for local area implementation of approved waivers? Did it provide guidance in a timely manner? <p><u>Sources and Notes:</u></p>
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Indicator 2.10.2 (C)

- The grantee has implemented appropriate safeguards or controls as needed to ensure the integrity of the funds or as specified in the request approval. **(New for Formula)**

Supplemental Guidance for Formula Grants

Review the waiver approval to determine what additional controls may be required. Also note any special conditions or limitations attached to the grantee's request and/or ETA's approval of the waiver.

- Cross-check as necessary for appropriate safeguards in Core Activities 2 and 3.
- If a waiver has been granted for the following items, what safeguards are in place?
 - Waiver of the limitation on use of funds for capitalization of businesses at WIA 181(e) to permit WIA funds to be used to capitalize a small business up to \$5,000 in concert with entrepreneurial training.
 - Waiver of the required 50 percent employer match for customized training at WIA §101(8)(C) to permit local areas to offer a sliding scale match.
 - Waiver of WIA §101(31)(B) to increase the employer reimbursement for on-the-job training.
 - Waiver of the prohibition on the use of funds for public service employment at WIA §195(10).
 - Waiver of the funds transfer limit between Adult and Dislocated Worker programs at WIA §133(b)(4).
 - Waiver to permit the use of a portion of local area formula allocation funds to provide incumbent worker training at WIA §134(a).
 - Waiver to permit the use of a portion of rapid response funds to provide incumbent worker training at WIA §134(a)(1)(A).
- What steps have been taken to ensure that internal controls are present?
- Do the steps taken or safeguards in place adequately protect the integrity of the funds and preclude potential abuse?

Sources and Notes:**Indicator 2.10.3 (E)**

- The grantee has achieved or is meeting its plan for achieving the goals and programmatic outcomes specified in the waiver request and approval. **(New for Formula)**

Supplemental Guidance for Formula Grants

Review the grantee's waiver request and ETA's approval of the waiver to identify the specific goals and programmatic outcomes that the waiver was intended to accomplish. Interview staff and review documentation to determine whether the goals of the waiver are being achieved.

- For example, if the waiver included increased performance, was that achieved? Cross-check with Activities 4 and 5 as appropriate.
- Does the grantee have a specific plan for achieving the goals and programmatic outcomes specified in the waiver request?
- Has the grantee developed a method of measuring and documenting whether the intended goals and

outcomes of the waiver are being achieved?

- For each intended goal or outcome, has the intended goal or outcome been achieved, or is the grantee on target to meet the goal or outcome in the future in accordance with its plan?
- If the grantee is currently not achieving, or is not on course to achieve, the goals and outcomes as planned, what corrective actions is it taking to achieve these goals and/or revise the goals as appropriate?

Sources and Notes:

<p>OBJECTIVE 2.11 Facilities and other capital assets, including SESA Real Property: Grantees who pay facilities costs and other capital assets costs with grant funds have a system in place to ensure that cost are reasonable and allowable under the cost principles, and are charged to grants based on benefit received; that cost of operations and maintenance and space costs billed to the program are equitable, based upon usage/occupancy; that idle space is not billed to the program; that only depreciation or use allowance costs are charged if capital leases are used, or if property is owned by the entity or related parties.[29 CFR 97.31, 29 CFR 95.32, TEGL 07-04]. (<i>Financial Supplement</i>)</p>	<p>Tools Directory:</p>
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<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 2.11.1 The grantee has a system in place to assure that facilities and space-related costs (e.g., operation and maintenance) are reasonable, allowable and allocable to the grant or grants charged, in accordance with Federal requirements. C</p> <p><input type="checkbox"/> 2.11.2 The grantee has a system in place to assure that amounts charged to the grants for capital leases, less than arms length transactions, grantee owned facilities, and capital improvement projects are limited to the cost recovery using the use allowance or depreciation methods (based upon the percentage of program occupancy). C</p> <p><input type="checkbox"/> 2.11.3 The grantee has a system for the acquisition, management, and disposition of real property purchased with grant funds. C</p>

<p>Indicator 2.11.1 (C)</p>

<p><input type="checkbox"/> The grantee has a system in place to assure that facilities and space-related costs (e.g., operation and maintenance) are reasonable, allowable and allocable to the grant or grants charged, in accordance with Federal requirements.</p>
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Supplemental Guidance for Formula Grants

Review the organization’s policies and procedures for charging costs for space and related costs. Related costs can include operations and maintenance, such as grounds upkeep, janitorial, repairs, security, parking, etc. Review charges to the grants for space and facilities.

- Are any grantee-owned buildings used as one-stop centers? If so, and the costs of these facilities are included in resource sharing agreements, then see also Objective 3.4 Cost Allocation.
- Are SESA properties used in the one-stop delivery system? If so, are they being handled in accordance with TEGL 07-04, Issues Related to Real Property Used for ETA Program Purposes, and WIA §193?
- Are all programs paying their fair share of facility occupancy costs? 20 CFR 667.260; WIA §193
- Is all space paid for by the program being used strictly for the program?
- If not, is a fee collected from the other occupants of the property?
- If there is a lease, is there a provision to terminate the lease if grant funding expires?

Sources and Notes:

Indicator 2.11.2 (C)
<input type="checkbox"/> The grantee has a system in place to assure that amounts charged to the grants for capital leases, less than arms length transactions, grantee owned facilities, and capital improvement projects are limited to the cost recovery using the use allowance or depreciation methods (based upon the percentage of program occupancy).
<u>Supplemental Guidance for Formula Grants</u> N/A

Indicator 2.11.3 (C)
<input type="checkbox"/> The grantee has a system for the acquisition, management, and disposition of real property purchased with grant funds.
<u>Supplemental Guidance for Formula Grants</u> N/A

<p>OBJECTIVE 2.12 The grantee’s system for the acquisition, management, and disposition of intangible property (copyrights, inventions, data, patents and software)is sufficient to assure compliance with requirements [29 CFR 97.34; 29 CFR 95.36; 2 CFR Part 225 (OMB Circular A-87)Attachment B.38]. <i>(Financial Supplement)</i></p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 2.12.1 The grantee has a system for the acquisition, management, and disposition of intangible property (copyrights, inventions, data, patents and software). C</p>	
<p style="text-align: center;">Indicator 2.12.1 (C)</p>	
<p><input type="checkbox"/> The grantee has a system for the acquisition, management, and disposition of intangible property (copyrights, inventions, data, patents and software).</p>	
<p><u>Supplemental Guidance for Formula Grants</u> N/A</p>	

CORE ACTIVITY 3

Financial Management Systems

Financial management systems are part of the overall organizational administrative systems that support grant functions or are those activities necessary for the operation of a project but not related to the direct provision of services. The standards for financial management systems are in 29 CFR 95.21 and 29 CFR 97.20.

CORE ACTIVITY 3 GENERAL INSTRUCTIONS

The purpose of the Core Activity 3 component is to evaluate the grantee’s capacity to perform the financial management functions that are required when operating federally funded workforce development grants and assure the proper safeguards are in place to protect grant assets. During this phase of monitoring, you will focus specifically on the financial management systems that relate to budgets, cash management, program income, cost allocation, allowable costs, internal controls, and financial reporting. If further review of any of these systems is necessary based on your findings, obtain copies of the documents relevant to your findings to share with the Office of Systems Support or the Division of Fiscal and Grants Management Policy and Review staff as appropriate.

To prepare for monitoring these financial management functions, review the referenced authoritative citations that are in Appendix A. Appendix B also includes a list of definitions related to grant activities and Appendix C outlines allowable costs addressed in the OMB Cost Principles Circulars.

Summary of Findings for Core Activity 3	
Promising Practices	
Findings or High-Risk Factors	
Other Observations	

<p>OBJECTIVE 3.1 Budget Controls: The organization has a method for tracking planned expenditures that allows it to compare actual expenditures or outlays to planned or estimated expenditures [29 CFR 97.20(b)(4); 29 CFR 95.21(b)(4)].</p>	<p>Tools Directory:</p>
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<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 3.1.1 The organization has an approved budget that is compared to actual expenditures on a regular basis (i.e., quarterly) to determine if it needs to modify its budget. C</p>

<p>Indicator 3.1.1 (C)</p>

<p><input type="checkbox"/> The organization has an approved budget that is compared to actual expenditures on a regular basis (i.e., quarterly) to determine if it needs to modify its budget.</p>

Core Grant Guidance

Interview the staff primarily responsible for modifying the budget and comparing budgeted to actual expenditures. Review the organization’s most current approved budget. Cross reference to Objective 5.1 to answer as needed.

- Does the organization have a current approved budget?
- How does the staff compare actual costs to budgeted costs to ensure that the program operates within the budget and the organization submits budget modification requests in a timely manner?
- Has the organization done a recent planned versus actual cost analysis?
- Does the organization have a method for ensuring that obligations do not exceed availability?

Sources and Notes:

<p>OBJECTIVE 3.2 Cash Management: The organization’s cash draws are necessary and reasonable, and the timing and amount of such draws appear to be as close as possible to the actual disbursement of grant funds for the payment of allowable and allocable costs incurred by the grant [29 CFR 97.20(b)(3) & (7); 29 CFR 95.21(b)(3) & (5); 29 CFR 95.22].</p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 3.2.1 Grant recipients have a mechanism in place, including policies and procedures, to minimize the time between the transfer of funds from the U.S. Treasury and disbursement of funds to pay allowable costs. The grantee draws cash as close to the time of making disbursements as possible. If applicable, grantees monitor the cash management activities of their subrecipients to ensure that the subrecipients conform to the same standards of timing and amount that apply to the grantees. C</p> <p><input type="checkbox"/> 3.2.2 Grant recipients have mechanisms in place, including policies and procedures, to ensure accountability over other cash related activities. C (Financial Supplement)</p>	

<p>Indicator 3.2.1 (C)</p>
<p><input type="checkbox"/> Grant recipients have a mechanism in place, including policies and procedures, to minimize the time between the transfer of funds from the U.S. Treasury and disbursement of funds to pay allowable costs. The grantee draws cash as close to the time of making disbursements as possible. If applicable, grantees monitor the cash management activities of their subrecipients to ensure that the subrecipients conform to the same standards of timing and amount that apply to the grantees.</p>
<p><u>Core Grant Guidance</u> <i>Review the organization’s policies and procedures on cash management. Ask the organization for a summary of their drawdowns and expenditures for one month. Compare their drawdowns for one month to their expenditures for the same month. Document the organization’s responses to your inquiries, the extent to which they are in compliance with the indicators, and the results of your review of their expenditures in relation to their draws. Keep in mind that drawdowns should lag behind reported accrued expenditures. If the grantee has a subrecipient, request evidence that the grantee is monitoring the cash management activities of their subrecipients.</i></p> <ul style="list-style-type: none"> ▪ How often does the organization draw down cash and how does it determine when and how much cash to draw down? ▪ Does the organization follow its policies and procedures on cash management? <p><u>Sources and Notes:</u></p>

Indicator 3.2.2 (C)

- Grant recipients have mechanisms in place, including policies and procedures, to ensure accountability over other cash related activities. (*Financial Supplement*)

Supplemental Guidance for Formula Grants

Review the organization's policies and procedures regarding control of assets and other cash-related activities. Examples of types of assets/activities that may be covered are given below:

- Does the organization make use of credit/debit cards?
- Does the organization have a petty cash fund?
- Does the organization use other cash-type transactions (e.g., bus tickets, vouchers, etc.)?
- Does the organization have policies and procedures to govern these other cash related activities?

Sources and Notes:

<p>OBJECTIVE 3.3 Program Income: The organization is aware of the requirements for earning, spending, and reporting program income [29 CFR 97.25; 29 CFR 95.24].</p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 3.3.1 The organization understands the definition of program income, knows whether it is earning program income, and if it is earning program income, is documenting it correctly and using the cash to provide additional services under the grant prior to drawing grant funds. C</p>	
<p style="text-align: center;">Indicator 3.3.1 (C)</p>	
<p><input type="checkbox"/> The organization understands the definition of program income, knows whether it is earning program income, and if earning program income, is properly documenting and using it to provide additional services under the grant prior to drawing grant funds.</p>	
<p><u>Core Grant Guidance</u> <i>Review the organization’s SF-269 [now submitted on the ETA-9130] to determine if it is earning, using, and reporting program income. Based on your review, if the organization does not appear to be earning, using, and reporting program income, use the guidance above to determine if the organization is earning program income but has failed to use, document, and report it.</i></p> <ul style="list-style-type: none"> ▪ Does the organization know whether it is earning program income? ▪ Are they aware of the definition of program income as it relates to their activities? ▪ How does the organization ensure that program income earned is being documented correctly and used to provide additional services under the grant? ▪ Do the organization and its subrecipients use cash from program income activities before requesting additional Federal grant funds (cash draw)? <p><u>Sources and Notes:</u></p>	

<p>OBJECTIVE 3.4 Cost Allocation: The organization only allocates costs to the grant to the extent that a benefit was received [2 CFR Part 225 (OMB Circular A-87) Attachment A; 2 CFR Part 230 (OMB Circular A-122) Attachment A; 2 CFR Part 220 (OMB Circular A-21) Section J].</p>	<p>Tools Directory: R.3.4 FR notice of 5/31/2001 One-Stop Resource Sharing T.3.4.1 Resource Sharing Agreement Checklist</p>
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<p>Summary of Indicators</p>	
<p><input type="checkbox"/> 3.4.1 There is written evidence, such as a timesheet, that costs being allocated to the grant are being treated consistently over time and within the accounting system, are necessary and reasonable, and are allocated to the grant based on the benefit received. The organization has written policies and procedures for distributing program costs, staff time, and general and administrative costs among programs. C</p> <p><input type="checkbox"/> 3.4.2 The organization has written policies and procedures for distributing program costs, staff time, and general and administrative costs among programs. E</p> <p><input type="checkbox"/> 3.4.3 The organization has an approved indirect cost rate or cost allocation plan. C</p>	

<p>Indicator 3.4.1 (C)</p>

<p><input type="checkbox"/> There is written evidence, such as a timesheet, that costs being allocated to the grant are being treated consistently over time and within the accounting system, are necessary and reasonable, and are allocated to the grant based on the benefit received.</p>
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Core Grant Guidance

Allocability is the extent to which a cost benefits the grant. A common allocation issue arises when personnel compensation costs are charged to a grant. Allocate to the grant only that portion of time that staff spends implementing allowable activities. If the organization receives funds from more than one source or administers more than one grant program, obtain copies of the timesheets of two staff who work on more than one grant to determine how they are allocating their time among the grant programs. Use timesheets to document grantee staff that work on more than one program.

- How does the organization, which receives funds from more than one source or administers more than one grant program *and* has staff that work on more than one grant, allocate their staff’s time among the various grant programs they work on?

Supplemental Guidance for Formula Grants

Review the resource sharing or similar document to answer the following questions.

[One-Stop Resource Sharing]

- Does the organization have a resource sharing agreement or similar document which identifies how one-stop common costs are allocated and paid for among the partner organizations?
- Is the agreement modified to reflect changes in one-stop operations or partners?

Sources and Notes:

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Indicator 3.4.2 (E)
<input type="checkbox"/> The organization has written policies and procedures for distributing program costs, staff time, and general and administrative costs among programs.
<p><u>Core Grant Guidance</u> <i>Review the organization’s written policies and procedures for distributing program costs, staff time, and general and administrative costs among programs.</i></p> <ul style="list-style-type: none"> ▪ Does the organization maintain written policies and procedures for distributing program costs, staff time, and general and administrative costs among programs? <p><u>Sources and Notes:</u></p>

Indicator 3.4.3 (C)
<input type="checkbox"/> The organization has an approved indirect cost rate or cost allocation plan.
<p><u>Core Grant Guidance</u> <i>Ask the organization if they have an approved indirect cost rate or a cost allocation plan. Obtain a copy of the organization’s indirect cost rate or cost allocation plan and give it to regional fiscal staff as appropriate.</i></p> <ul style="list-style-type: none"> ▪ Does the organization have an approved indirect cost rate or cost allocation plan? <p><u>Supplemental Guidance for Formula Grants</u></p> <ul style="list-style-type: none"> ▪ Do they have an approved indirect cost rate? ▪ If no, should they have one? ▪ Have they submitted a proposal to the appropriate cognizant agency on a timely basis? ▪ Is the rate they are using approved for the current period? ▪ Have the organization’s fiscal person show how the last period’s reported indirect costs were calculated (indirect cost rate times the applicable base). <p><u>Sources and Notes:</u></p>



<p>OBJECTIVE 3.5 Allowable Costs: The organization has a system in place to ensure the program is incurring necessary and reasonable costs and is only charging allowable and allocable costs to the grant [2 CFR Part 225 (OMB Circular A-87 Attachments A & B); 2 CFR Part 230 (A-122 Attachments A & B); 2 CFR Part 220 (A-21 Sections C & J), 48 CFR 31.230].</p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 3.5.1 The organization has a copy of its applicable OMB cost principles circular and is aware of which costs are allowable, allowable under certain conditions, or unallowable. E</p>	

<p>Indicator 3.5.1 (E)</p>
<p><input type="checkbox"/> The organization has a copy of its applicable OMB cost principles circular and is aware of which costs are allowable, allowable under certain conditions, or unallowable.</p>
<p>Core Grant Guidance <i>Ask program and financial staff which OMB cost circular they use to determine the extent to which a cost charged to the grant is allowable. If applicable, review the letter from the Grant Officer giving the organization approval to purchase equipment listed in their budget.</i></p> <ul style="list-style-type: none"> ▪ How does the organization ensure that the grant is not charged unallowable costs based on applicable cost principles and the provisions of the grant agreement? ▪ If the organization has subrecipients, how do they ensure that their subrecipients are following appropriate cost guidelines and the policies of the awarding agency? Has the organization issued written cost policies to their subrecipients? <p>Supplemental Guidance for Formula Grants <i>This indicator becomes a [C] Compliance indicator when reviewed as part of a financial review.</i></p> <ul style="list-style-type: none"> ▪ Does the written allowable cost policy designate a process for obtaining prior approval? <p><i>Note: State Grantees: Prior approval for equipment has been delegated to the Governor for the Unemployment Insurance (UI), Wagner-Peyser, Trade and other programs. For WIA, responsibility to determine the extent to which costs are allowable or unallowable has been delegated to the Governor [20 CFR 667.200 (e)].</i></p> <ul style="list-style-type: none"> ▪ Who approves cost principle items of cost needing prior approval of the awarding agency? ▪ Does the written allowable cost policy address the prohibitions in the WIA regulations? <p><i>For Wagner-Peyser Grants only - Verify that no funds are being used for participant training except for General Educational Development (GED), English as a second language (ESL), and other pre-employment training that are considered intensive services that prepare the participant for employment.</i></p> <p>Sources and Notes:</p>

<p>OBJECTIVE 3.6 Internal Controls: Effective control, integrity, and accountability are maintained for all grant and subrecipient cash, personal property, and other grant assets [29 CFR 97.20 (a)(2)(b)(3); 29 CFR 95.21(3)].</p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 3.6.1 Grant recipient has adequate safeguards for all grant property and ensures that it is used solely for authorized purposes; has mechanisms in place to prevent unauthorized purchases and disbursements of grant funds; and safeguards its cash and other assets so no one person controls the order, receipt, payment, and reconciliation of an asset. C</p>	

<p>Indicator 3.6.1 (C)</p>
<p><input type="checkbox"/> Grant recipient adequately safeguards all grant property and ensures that it is used solely for authorized purposes; has mechanisms in place to prevent unauthorized purchases and disbursements of grant funds; and safeguards its cash and other assets so no one person controls the order, receipt, payment, and reconciliation of an asset.</p>
<p><u>Core Grant Guidance</u> <i>Ask the organization’s financial staff for evidence, including written policies and procedures, of separation of duties or other safeguards that they have in place to prevent unauthorized purchases and disbursements of grant assets. Observe the activities of staff to determine the extent to which they have implemented their internal control policies and procedures. Inquire about how the organization manages its assets so no one person has complete control over all aspects of a financial transaction. Document their responses to your inquiries, the extent to which they are in compliance with the indicators, and your observations.</i></p> <ul style="list-style-type: none"> ▪ How does the organization manage and safeguard its cash and protect its other assets so no one person has complete control over all aspects of a financial transaction? ▪ What safeguards exist to prevent unauthorized purchases or disbursements of funds? <p><u>Sources and Notes:</u></p>

<p>OBJECTIVE 3.7 Financial Reporting: The organization has an accounting system that allows it to maintain accurate and complete disclosure of the financial results of its grant activities and those of its subrecipients according to the financial reporting requirements of the grant [29 CFR 95.21(b)(1); 29 CFR 97.20(2)(b)(1)].</p>	<p>Tools Directory:</p>
<p>Summary of Indicators</p> <p><input type="checkbox"/> 3.7.1 If the organization maintains its books of account on a cash basis, it develops and reports accrual data on the financial status report. C</p> <p><input type="checkbox"/> 3.7.2 If there are subrecipients, the grantee has a system in place to ensure the subrecipient is reporting the financial results of its grant activities on an accrual basis and in a timely manner. C</p>	
<p>Indicator 3.7.1 (C)</p>	
<p><input type="checkbox"/> If the organization maintains its books of account on a cash basis, it develops and reports accrual data on the financial status report.</p>	
<p><u>Core Grant Guidance</u></p> <p><i>If the organization keeps its books on a cash basis, ask the organization for evidence that the financial data included in its quarterly financial status reports to ETA are on an accrual basis. This may be in the form of a spreadsheet or another type of document that will link to the accounting records.</i></p> <ul style="list-style-type: none"> ▪ Does the organization maintain its books of account on a cash or accrual basis? ▪ Is the financial data included in the costs reported to ETA on an accrued basis? What evidence is there to support accruals (spreadsheets, MIS reports, etc.)? <p><u>Supplemental Guidance for Formula Grants</u></p> <ul style="list-style-type: none"> ▪ Does the grantee have sufficient procedures in place to ensure that accruals for costs of uninvoiced training (or other on-going activities) are included in the appropriate quarterly financial reports? ▪ Does the grantee adjust allocated amounts for transfers between: <ul style="list-style-type: none"> ○ Statewide rapid response and local dislocated worker activities, ○ Statewide activities and local funding streams ○ Local adult and dislocated worker funding streams ▪ If yes, does it adjust authorized amounts on the respective financial status reports in a timely manner? ▪ Does the grantee properly reflect any recaptured amounts to be spent on statewide activities on the quarterly financial report? ▪ [For Wagner-Peyser grants only.] Does the organization properly break out the cost of its 7B activities in the “remarks/comments” section of the ETA-9130? <p><u>Sources and Notes:</u></p>	

Indicator 3.7.2 (C)

- If there are subrecipients, the grantee has a system in place to ensure the subrecipient is reporting the financial results of its grant activities on an accrual basis and in a timely manner.

Core Grant Guidance

If applicable, determine if the organization is receiving financial data from its subrecipients in a timely manner so that it can include this data in its reports to ETA. Ask for copies of any policies or contract clauses related to subrecipient reporting.

- Is the organization receiving timely data from its subrecipients?
- Are there policies or contract clauses concerning financial reporting?

Supplemental Guidance for Formula Grants

- Has the organization issued reporting instructions and formats to its subrecipients?
- Does the organization have a methodology to capture subrecipients' share of costs on the reporting form?
- Does the organization have a methodology to capture subrecipients' program income data on the reporting form?
- Does the organization require its subrecipients to identify and report expenditures on an accrual basis?

Sources and Notes:

<p>OBJECTIVE 3.8 Fund Availability: The organization has a method for distributing and expending grant funds in accordance with legislative or grant funding requirements. (New for Formula).</p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 3.8.1 Funds for statewide activities, rapid response, and incentive grants are distributed and utilized in accordance with the approved state plan and state policies. C</p> <p><input type="checkbox"/> 3.8.2 WIA formula funds are allocated to local areas in accordance with statutory requirements of WIA §§ 127 and 128. C</p> <p><input type="checkbox"/> 3.8.3 Local formula funds are obligated and expended in accordance with utilization requirements. C</p> <p><input type="checkbox"/> 3.8.4 Local formula allocations are recaptured and reallocated based on requirements of WIA statutes and state policies. C</p>	
<p style="text-align: center;">Indicator 3.8.1 (C)</p>	
<p><input type="checkbox"/> Funds for statewide activities, rapid response, and incentive grants are distributed and utilized in accordance with the approved state plan and state policies.</p>	
<p><u>Supplemental Guidance for Formula Grants</u></p> <p><i>Obtain a copy of the state plan and state policies and review the plan’s methodology and/or activities to distribute the funds for statewide activities, rapid response, and incentive grants. Review the documentation (e.g. grant agreements, obligating documents, spreadsheets, etc.) that support the distribution of these funds. Analyze rates of expenditure to validate that the state will fully expend funds.</i></p> <ul style="list-style-type: none"> ▪ Does the state distribute each of these funds in accordance with the approved state plan and applicable state policies? ▪ Does the state obligate 85 percent of its Statewide Dislocated Worker and Rapid Response funds in the first year? ▪ Does it appear that the state will fully expend state level funds within the three year period of availability? <p><u>Sources and Notes:</u></p>	

Indicator 3.8.2 (C)

- WIA formula funds are allocated to local areas in accordance with statutory requirements of WIA §§ 127 and 128.

Supplemental Guidance for Formula Grants

Obtain a copy of the state plan from the and determine the plan's methodology to allocate the formula funds that are allotted to the state for youth, adult and dislocated worker activities under WIA § 127(b)(1)(C) and are not reserved under §128(a). [WIA §128(b)(1). (The Governor is allowed to expand a methodology to include additional factors.)

Review the documentation (e.g. grant agreements, obligating documents, spreadsheets, etc.) that support the distribution of these funds.

- Does the method ensure that that the state is in compliance of the 85 percent obligation requirement for local Adult and Youth funds and 60 percent obligation for local dislocated workers funds.
- If the methodology includes additional factors, does it meet WIA requirements under WIA §§127 and 128?
- Does the state meet the 30 day obligation requirement?

Sources and Notes:**Indicator 3.8.3 (C)**

- Local formula funds are obligated and expended in accordance with utilization requirements.

Supplemental Guidance for Formula Grants

Obtain copies of state reports that detail obligation and expenditure of funds for youth, adult and dislocated worker employment and training activities for each local area.

- Using the available reports, determine if any local area has an amount of unobligated funds in excess of 20 percent at the end of the first year of availability.
 - Are excess unobligated funds are identified?
 - Does the state have additional requirements on fund utilization? If so, are the local areas in compliance? If not, how does the state resolve noncompliance?

Sources and Notes:

Indicator 3.8.4 (C)

- Local formula allocations are recaptured and reallocated based on requirements of WIA statutes and state policies.

Supplemental Guidance for Formula Grants

Review the state plan to determine the states policy on recapture and reallocation.

- Does the state have a policy in place to ensure the timely obligation, recapture and reallocation of funds at the end of year one?
- If so, are only eligible local areas receiving reallocated funds? [WIA §§127(c)(3) and (4) and 133(c)(3) and (4)]
- Is the state properly recapturing unexpended funds at the end of year two?
- How is the state using recaptured funds?
 - Redistribute to only eligible areas
 - Utilize for statewide activities

Sources and Notes:

<p>OBJECTIVE 3.9 Cost Classification: The organization maintains a system to ensure that grant costs are charged to the appropriate cost category. [2 CFR Part 225 (OMB Circular A-87); 20 CFR 667.220] (<i>Financial Supplement</i>)</p>	<p>Tools Directory:</p>
<p style="text-align: center;"><u>Summary of Indicators</u></p> <p><input type="checkbox"/> 3.9.1 The organization has a methodology for accounting separately for administrative and program costs in accordance with the WIA Administrative cost definition. C</p> <p><input type="checkbox"/> 3.9.2 If there are subrecipients, the grantee has a system in place to ensure the subrecipient is properly charging costs to cost categories. C</p>	

<p>Indicator 3.9.1 (C)</p>
<p><input type="checkbox"/> The organization has a methodology for accounting separately for administrative and program costs in accordance with the WIA Administrative cost definition.</p>

Supplemental Guidance for Formula Grants

Careful consideration must be given to the activity with which a cost is associated and the category that benefits from the related activity. Reviewers must keep in mind the provision of 20 CFR 667.220(c)(4) that provides for the classification of all allowable costs associated with contracts/subcontracts/subgrants awarded for the primary purpose of delivering programmatic services as program costs. This includes costs that ordinarily would be classified as administrative costs if incurred by a subrecipient below the one-stop operator level.

- Are the costs described at 20 CFR 667.220(a) and (b) that are incurred by the state, appropriately charged to administration?
- Is the state grantee tracking the locals to ensure that no local will exceed the 10 percent administrative cost limit?
- Is the state tracking its own overall compliance with the 5 percent administrative limit requirement?
- For youth programs, is the state tracking local expenditure to ensure compliance with the 30 percent minimum out of school requirement?
- For local area reviews, are the costs described at 20 CFR 667.220(a) and (b) that are incurred by the LWIB, local grant subrecipient/ administrative entity, fiscal agent and one-stop operator appropriately charged to administration?

(WIA only) For 15 percent statewide funds:

If funds are awarded by the state to another state agency, are reported costs properly allocated between the Program and Administrative categories and charged to the 5 percent Statewide Admin?

Sources and Notes:

Indicator 3.9.2 (C)

- If there are subrecipients, the grantee has a system in place to ensure the subrecipient is properly charging costs to cost categories.

Supplemental Guidance for Formula Grants

Careful consideration must be given to the activity with which a cost is associated and the category that benefits from the related activity. Reviewers must keep in mind the provision of 20 CFR 667.220(c)(4) that provides for the classification of all allowable costs associated with contracts/subcontracts/subgrants awarded for the primary purpose of delivering programmatic services as program costs. This includes costs that ordinarily would be classified as administrative costs if incurred by a subrecipient below the one-stop operator level.

- Are the costs associated with subcontracts and subgrants classified appropriately? [20 CFR 667.220(c)]
- Are costs under subagreements with subrecipients or vendors whose sole purpose is the performance of an administrative function (e.g. a payroll service) charged entirely as administration?
- Has the grantee properly identified subrecipients who must classify costs in both program and administrative cost categories?

Sources and Notes:

<p>OBJECTIVE 3.10 Participant Training Resource Management: The organization has a system in place to ensure that participant training resources are appropriately managed. (See also Objective 4.2 Participant Files) (<i>Financial Supplement</i>)</p>	<p>Tools Directory:</p>
<p style="text-align: center;"><u>Summary of Indicators</u></p> <p><input type="checkbox"/> 3.10.1 The organization has an appropriate process to award and track the use of ITAs and other training resources. E</p> <p><input type="checkbox"/> 3.10.2 The organization has an appropriate process to award and track the use of training grant funds. E</p>	

<p>Indicator 3.10.1 (E)</p>
<p><input type="checkbox"/> 3.10.1 The organization has an appropriate process to award and track the use of ITA and other training resources. E</p>
<p><u>Supplemental Guidance for Formula Grants</u> (For WIA local areas; for formula program review only) <i>Review the organization's ITA policies and procedures for awarding and monitoring ITAs and other training resources.</i></p> <ul style="list-style-type: none"> ▪ Does the organization have policies and procedures for awarding ITAs? <ul style="list-style-type: none"> ○ Do the ITA policies and procedures ensure that all other resources are accessed before WIA funds? (C) ○ Do the ITA policies and procedures include a formal agreement between the participant and the local administration? ○ Do the ITA policies and procedures include a reference to the timeframes for dropping out of the training? ○ Do the ITA policies and procedures include requirements of the participant or the training institution in the event that the participant drops out of the training? ▪ Does the organization have a system for tracking training attendance? ▪ Is there a clear and consistent communication channel between those who work with participants who are eligible for ITAs (e.g., case managers) and the unit responsible for disbursing ITA payments? <p><u>Sources and Notes:</u></p>

Indicator 3.10.2 (E)

The organization has an appropriate process to award and track the use of grant training funds.

Supplemental Guidance for Formula Grants

Review the organization's training policies and procedures for the following:

- Do the organization's policies and procedures include:
 - A method for recovering appropriate portion of tuition payment if the participant drops out of the training?
 - Assurance that appropriate match is provided for customized training and/or any other training for which match is required?
 - Maximized use of training funds by limiting long term commitments?

Select a sample of training transactions and verify the following:

- Is there a signed agreement with the training provider(s)?
- Payments are consistent with the terms of the training agreement and grantee policies?
- Are the case manager and/or the participant notified when the individual's training expenditures are approaching the total amount allotted for the participant's training?
- Do the training expenditures provide for the appropriate costs items, e.g., tuition, books, fees, supplies, etc.?
- Payments to employers for training are in compliance with appropriate reimbursement limits, e.g., OJT, work experience, etc.

Sources and Notes:

CORE ACTIVITY 4

SERVICE DELIVERY

Core Activity 4 addresses the systems, procedures, and program operational elements that are essential to the effective delivery of participant and employer services or the development of a product.

CORE ACTIVITY 4 GENERAL INSTRUCTIONS

The purpose of the Core Activity 4 monitoring component is to evaluate the grantee’s capacity and effectiveness in delivering services to participants and employers, or to deliver indirect services or products, in accordance with the grant SOW requirements. There are few Federal regulations that establish compliance requirements for service delivery, except for grants that must meet eligibility requirements. Consequently, most of the compliance indicators that the reviewer needs to evaluate in this section relate to the types of services and method of delivery that are specified in the grant agreement itself. In preparation for monitoring this core activity, the reviewer needs to become very familiar with the SOW and the other terms of the grant agreement, so that a determination can be made whether the grantee is fulfilling the terms of the grant and thereby complying with the conditions of the grant award. The other indicators in this core activity identify ways in which to measure the effectiveness of the grantee’s service delivery system.

Summary of Findings for Core Activity 4	
Promising Practices	
Findings or High-Risk Factors	
Other Observations	

<p>OBJECTIVE 4.1 Operating Systems: The grantee has the operating systems in place to fully implement the grant [SOW; WIA §§112, 121, 134; 20 CFR 661.205, 662.300, 663.600, 663.640, 20 CFR Part 652, and 20 CFR Part 1010.]</p>	<p>Tools Directory: R.4.1.1 Office of Disability Employment Policy (ODEP) communication fact sheet: (www.dol.gov/odep/categories/workforce/rs_factsheet.htm)</p>
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<p>Summary of Indicators</p>	
<input type="checkbox"/>	<p>4.1.1 The grantee is providing the full range of services stipulated in the grant agreement. C</p>
<input type="checkbox"/>	<p>4.1.2 For grants that develop products rather than provide services, the grantee is meeting the product terms and conditions stipulated in the grant agreement. C</p>
<input type="checkbox"/>	<p>4.1.3 Strategies are being implemented to recruit and screen participants who meet the target group criteria identified in the grant. E</p>
<input type="checkbox"/>	<p>4.1.4 Subrecipients and contracts called for in the project plan are in place and fully operational. E</p>
<input type="checkbox"/>	<p>4.1.5 The state grantee effectively manages the one-stop delivery system. E (New for Formula)</p>
<input type="checkbox"/>	<p>4.1.6 MOUs and one-stop operator agreements have been developed according to state policies. Agreements define appropriate service responsibilities and effectively guide local services. C (New for Formula)</p>
<input type="checkbox"/>	<p>4.1.7 The state grantee has an effective system for ensuring priority of services. C (New for Formula)</p>

<p>Indicator 4.1.1 (C)</p>

<input type="checkbox"/> The grantee is providing the full range of services stipulated in the grant agreement.

<p><u>Core Grant Guidance</u> <i>For grants that provide services, compare the grantee’s report on actual service provision with the service requirements contained in the grant agreement.</i></p> <ul style="list-style-type: none"> ▪ Do program reports show that the grant is fully operational and providing the full range of services called for in the grant agreement? ▪ Are the services being provided in accordance with the SOW? Is the work being done on schedule? ▪ If service delivery is not fully operational, what is the grantee doing to correct the situation?

Supplemental Guidance for Formula Grants – State

Review the State WIA-WP Plan on services required under formula grants. Compile a list of services the state grantee should be providing under each formula grant encompassed by the review. See WIA §112(b)(14).

Obtain and review information on how the state assures that all required services can be accessed in at least one comprehensive one-stop center in each local area as required under WIA §112(b).

Review state policies regarding customer flow and/or referral of customers.

- What policies has the state grantee issued to its local one-stop system local one-stop centers to assure customer access to the full range of services (e.g., policies regarding customer flow, coordination requirements, etc.)?
- What oversight does the state grantee conduct to assure the availability of a full range of services through local one-stop delivery systems?
- How has the state grantee used the results of its oversight to improve customer access to a full range of services through local one-stop delivery systems?

Supplemental Guidance for Formula Grants – Local

If applicable and available, review local WIA-WP Plan to identify/assess planned service strategies and design.

Obtain and review a customer flow chart, the one-stop MOU, one-stop operator agreements and local referral policies, if available

- Does the organization of services and customer flow appear to promote access to the full array of services available through the comprehensive one-stop center? What service organization or service access features most visibly support access to the full array of services available?
- Where are the deficiencies and how is the local area addressing them?
- Does the organization of and requirements associated with the provision of core, intensive and training services promote access to the full array of services as outlined in WIA §134?
- How does the grantee provide access to the 10 youth program elements?
- What is the grantee's formal referral policy for customers who are referred internally and externally to partner agencies? Does practice appear to conform to this policy?
- How does the local area ensure that all required programs and services are available on a continuous basis in the comprehensive one-stop center (i.e., monitoring, policy, etc.)?
- How is access to the full range of services assured at service locations other than the comprehensive one-stop center?
- How does the local area ensure that needed programs and services will continue to be available to participants through the one-stop center, if a partner ceases to provide them?

Sources and Notes:

Indicator 4.1.2 (C)

- For grants that develop products rather than provide services, the grantee is meeting the product terms and conditions stipulated in the grant agreement.

Core Grant Guidance

Compare the grantee's report on actual product development with the product terms and conditions stipulated in the grant agreement.

- Do program reports show that the grant is fully operational and meeting its product objectives?
- Are all of the products being developed as called for in the SOW? Is the work being done on schedule?
- If product development is not fully operational, what is the grantee doing to correct the situation?

Sources and Notes:**Indicator 4.1.3 (E)**

- Strategies are being implemented to recruit and screen participants who meet the target group criteria identified in the grant.

Core Grant Guidance

For grants intended to serve a target population, review the outreach and recruitment plan and discuss with staff performing this work. Review performance data related to recruitment for the period examined.

- Does the plan indicate specific strategies and activities designed to inform the target population about grant services? Have they been implemented?
- Is the initial screening and assessment process effective in determining who is appropriate for and will benefit from grant services?
- Does the data indicate that recruitment goals for the target population have been met? If not, what is the grantee doing to address the problem?

Sources and Notes:

Indicator 4.1.4 (E)

Subrecipients and contracts called for in the project plan are in place and fully operational.

Core Grant Guidance

Review copies of the project plan and written agreements with subrecipients or contractors.

- Are all subrecipient agreements or contracts in place?
- Do program reports show that subrecipients/contracts are fully operational and meeting their service objectives?
- If any subrecipients/contracts are not fully operational, what is the grantee doing to correct the situation? Is the grantee providing adequate technical assistance to support subrecipient operations?

Sources and Notes:**Indicator 4.1.5 (E)**

The state grantee effectively manages the one-stop delivery system. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Interview state staff responsible for the development of one-stop certification standards and oversight of MOU development.

Review certification and/or oversight tools used by the state, as well as a few recent reports from certification or oversight visits.

Review WIA §§112(b)(8)(A) and 111(d)(2); 20 CFR 661.205(a).

Review State WIA-WP Plan as it relates to the one-stop system and policies and procedures for local one-stop delivery systems.

Review of this indicator should be performed in conjunction with Indicators 1.5.1, 1.5.2, and 4.1.6.

- What are the key processes the state grantee has put into place to achieve the vision of the one-stop delivery system as described in the state plan?

- Through what processes does the state grantee develop and disseminate clear one-stop policies to all staff who need to know them? Do the processes appear to be adequate in terms of ensuring that policies are clear and that they are received and understood by all relevant management/staff at both the state and local levels?
- How often does the state monitor or conduct oversight of its local one-stop system? Does this appear to be adequate in terms of the size of the state and the level of funds it receives?
- How does the state ensure that issues identified are addressed and resolved? Review state oversight policy and monitoring reports.
- If the state grantee has established a certification or chartering process, how has this process been incorporated into the state grantee’s overall strategy for effectively managing local one-stop systems?
- How does the state grantee’s training strategy for its local one-stop center management/staff contribute to one-stop system management? To what extent does the state grantee use training needs assessment data to formulate its strategy?
- What kind of marketing efforts does the state conduct on behalf of the one-stop system?
- How effectively is the state grantee managing the process of reporting on one-stop delivery system activities, e.g., recording of self-service only participants for Wagner-Peyser?
- How does the state grantee measure the overall performance of its local one-stop delivery system and how are measurement results used to improve one-stop delivery system management?

Supplemental Guidance for Formula Grants – Local

Obtain and review the state grantee’s policies regarding local one-stop delivery system management, monitoring reports and, if applicable, information on the certification or chartering decisions for the local one-stop delivery systems being reviewed.

- What processes are in place locally to ensure that one-stop center management and staff remain aware of the state grantee’s policies and procedures (e.g., distribution of state policies to management and staff, staff training on policies, etc.)?
- To what extent is the local one-stop delivery system operating in accordance with the state grantee’s policies, requirements and standards?
- Do the state grantee’s integration measures accurately depict the observed level of integration local one-stop delivery systems?
- Has the local grantee/one-stop center been monitored/reviewed by the state in the last year? Was a formal report issued? Ask for a copy of the most recent monitoring report. How are issues resolved? What role does the state grantee play in the resolution of issues?
- If the state grantee has established a certification or chartering process, are onsite observations consistent with the state grantee’s certification or chartering decisions? What about the certification or chartering process does the local area perceive as being most valuable in helping to improve the local one-stop delivery system?

Sources and Notes:

Indicator 4.1.6 (C)

- MOUs and one-stop operator agreements have been developed according to state policies, appropriately define service responsibilities and effectively guide local services. C **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Review the state grantee’s requirements for MOUs and one-stop operator agreements.

Ask to see the state-level MOU, if one exists. Review WIA §121(c)(2).

Review of this indicator should be performed in conjunction with Indicators 1.5.1, 1.5.2, and 4.1.5. See 20 CFR 652(c).

- How does the state ensure that local MOUs contain all provisions required in law and regulation? WIA §121(c)(2)
- To what extent do the state grantee’s policies and procedures promote the development of meaningful and effective MOUs and operator agreements?
- What guidance has the state grantee provided to assist in local resource sharing decisions?
- How does the state grantee ensure that its policies and procedures for MOUs and operator agreements are being followed?
- How does the state-level MOU (if there is one) contribute to the development of meaningful MOUs at the local level?

Supplemental Guidance for Formula Grants – Local

Review local MOU(s) and operator agreements.

Observe operations at the comprehensive one-stop center.

- To what extent do MOUs conform to state grantee policies and requirements? WIA §121(c)(2)
- To what extent and how are MOUs being used as a meaningful tool to guide and improve the quality of services provided in local one-stop delivery systems?
- What evidence is there that the one-stop operator was selected in accordance with the requirements in 662.410 and conforms to the requirements established in 20 CFR 662.400(c)?
- What is the role of the one-stop operator and is it articulated in an agreement between the board and the one-stop operator? 20 CFR 662.400(c)?
- To what extent does the local one-stop delivery system operate in accordance with the MOU?

Sources and Notes:

Indicator 4.1.7 (C)

The state grantee has an effective system for ensuring priority of services. **C (New for Formula)**

Supplemental Guidance for Formula Grants – State

Review information from the state grantee regarding service priorities, including any additional populations the state grantee establishes as service priorities.

Review 20 CFR 663.600 and 20 CFR 663.640, 20 CFR Part 1010, and TEGL 10-09 (Implementing Priority of Service for Veterans and Eligible Spouses).

- What is the state grantee’s strategy to provide veterans and eligible spouses with priority of service and is it in compliance with the 2009 Regulations and TEGL? What guidance has the state provided to the local workforce community regarding implementation of the new priority of service regulations?
- What policy/guidance has the state issued to the local system regarding making determinations about priority of service to public assistance recipients and other low-income individuals if local training funds are limited? WIA §134(d)(4)(E).
- How does the state grantee ensure that its defined service priorities, including priority services for veterans and eligible spouses, are being implemented locally?
- Has the state updated its website to indicate the requirements around priority of service for veterans?

Supplemental Guidance for Formula Grants - Local

- How do local policies and procedures embed service priorities into customer flow and decision making?
- How does the flow of veteran customers through the center reflect priority of services to veterans?
 - For job listings and training opportunities available to the general public, how do one-stop centers build priority of service to veterans into their electronic systems and manual processes?
 - When local training funds are limited, how do veterans receive priority?
 - Do veterans receive priority referral to jobs before they are opened to non-veterans?
 - Do the job matching practices at one-stop centers give priority to veterans in other ways?
- Do local service statistics indicate that the populations identified by the state grantee as priorities for service are being served on a priority basis?
- Are training funds considered limited? If so, how does the local grantee/one-stop operator ensure the priority of service to public assistance recipients and other low-income individuals?

Sources and Notes:

<p>OBJECTIVE 4.2 Participant Files: A review of participant files and case notes demonstrates that participants are receiving appropriate and effective services [SOW, 20 CFR 663 Subparts A, B, C, D, E, H; and 20 CFR Part 664.].</p>	<p>Tools Directory: T.4.2.1 WIA Eligibility and File Review Checklists-Adult, Dislocated Worker (DW) and Youth T.4.2.2 OJT Review Tool</p>
<p>Summary of Indicators</p>	
<p><input type="checkbox"/> 4.2.1 The grantee is serving the eligible/target population identified in the grant. C</p> <p><input type="checkbox"/> 4.2.2 The grantee develops an individual service plan that identifies and meets the specific needs of each individual participant. C/E</p> <p><input type="checkbox"/> 4.2.3 Supportive services are being provided as needed to overcome client barriers to participation and completion of the individual service plan. C/E</p> <p><input type="checkbox"/> 4.2.4 Participants are receiving training as needed and progressing toward achieving their employment goals. C/E</p>	

<p>Indicator 4.2.1 (C)</p>
<p><input type="checkbox"/> The grantee is serving the eligible/target population identified in the grant.</p>
<p><u>Core Grant Guidance</u> <i>The assessment of this indicator and the three that follow are based on the review of participant files and case notes for ten participants. Select the files at random to determine whether the four indicators related to this review objective are being met. Interview case management staff.</i></p> <p><i>For this indicator, determine whether the target population is being served. Also, for grants that have participant eligibility requirements, determine whether the correct eligibility determinations were made.</i></p> <ul style="list-style-type: none"> ▪ Are there written eligibility procedures and documentation requirements that are used to make accurate eligibility determinations? Does it appear that the staff follows the written procedures? ▪ Did the files contain sufficient documentation to fully support the eligibility determination? ▪ If applicable, were correct eligibility determinations made for the participants in the sample? If you find errors or omissions, note the specific exceptions and advise the grantee to re-verify the eligibility of any participant in question. If there appears to be a pattern of incorrect or incomplete eligibility determinations, advise the grantee to perform a complete review of its files to ensure that all participants are eligible. ▪ If any participants are ineligible, advise the grantee that all costs associated with ineligible participants are not allowable and must be restored to the grant or repaid to the grantor agency. ▪ If the grant is supposed to target a specific population for service (e.g., economically disadvantaged, ex-offenders, etc.), do the participants who are being served actually meet that target group definition?

Supplemental Guidance for Formula Grants – State (E)

Review relevant portions of the state plan to identify any supplemental participant eligibility the state has established, any specific populations targeted for services and any specific goals established for services to those populations.

- What, if any, additional criteria beyond WIA requirements has the state grantee established that are to be factored into local decisions about participant eligibility (e.g., for dislocated workers, displaced homemakers, military spouses, basic skill deficiencies for youth, etc.)?
- Which, if any, specific population(s) has the state-grantee identified for targeting of services?
- What are its expectations regarding service to these target populations?
- How does the state grantee determine the extent to which target populations are actually being served in local areas?
- How does the state grantee evaluate progress in increasing service to target populations over time?
- How does the state grantee provide technical assistance to local areas that have a high concentration of target populations (e.g., eligible youth)?

Supplemental Guidance for Formula Grants – Local (C)

Obtain Eligibility Checklists (see Toolbox) and/or review eligibility requirements at 20 CFR 663.110, 663.115, 663.120 and 663.220 to prepare for the review.

Review the statutory definition of dislocated workers noted in WIA §101(9).

Obtain actual data on services to target populations in the local area.

- Do participant files contain documentation adequate to support eligibility of adult and dislocated worker participants under WIA?
- Do participant files contain documentation adequate to support eligibility of youth participants under WIA?
- What does actual service data suggest about the extent to which target populations defined by the state grantee are actually being served?
- How important are WIA funds, among all the resources available to the community, to meeting the developmental needs of youth? Are local resources extensively matched with other leveraged resources?

Sources and Notes:

Indicator 4.2.2 (C/E)

- The grantee develops an individual service plan that identifies and meets the specific needs of each individual participant.

Core Grant Guidance

Review a sample of case notes and participant files, and interview case management staff.

- Is an individual service plan (e.g., employment development plan, individual employment plan, or individual service strategy) developed for each participant based on the assessment results? Does it include short and long term goals? Does it include a strategy for overcoming the barriers identified in the assessment process?
- Is there evidence in the file that the case manager discussed the assessment results with the participant and that they jointly developed the individual service plan?
- Do the case notes document that there is ongoing contact between the case manager and the participant, that the participant's progress is being tracked, and that the service plan is updated when any change in circumstances, goals, or planned activities and services occurs?
- Are there any extended lapses in service? If yes, ask the case manager to explain why
- Overall, is the assessment process effective in matching participants with appropriate service options?
- If time permits, interview a sample of participants and ask if they actively participated in the development of their service plans, and are fully aware of their employment goal and how the service plan is intended to help them reach that goal.

Supplemental Guidance for Formula Grants – State (E)

Review state grantee's requirements for participant assessment and the development of an individual service plan.

- What policies has the state grantee issued to assure WIA participants receive an individual services plan that meets each individual's service needs?
- How does the state grantee determine that individual services plans are being developed in accordance with these policies?

Supplemental Guidance for Formula Grants – Local (C)

In addition to the questions below, the questions above under Core Grant Guidance for this particular indicator should all be included in a local Formula Grant review.

- Are all youth served by WIA assigned a case manager? What are the responsibilities of this case manager as they relate to a youth participant? Check to see that the responsibilities include assessing the needs of youth; connecting the youth to the services needed to achieve the individual service strategy (ISS) including necessary follow-up services/ and ensuring that all services received and outcomes attained are explicitly described.
- What kind of assessment is conducted of youth? Is the assessment conducted on-site? 20 CFR 664.405(a)(1)
- Do service plans for youth indicate that all ten program elements were made available? See 20 CFR 664.410

- How are service plans managed?
- What happens if a youth tests as being basic skills deficient, i.e., is he/she automatically provided basic skills training or other such services to address the deficiency? Is at least one basic skills goal set? TEGL 18-00 (Program Guidance for Implementation of Comprehensive Youth Services). See 20 CFR 664.205
- How is the progress for youth participants tracked? Does this include a pre and post testing of skills attainment? TEGL 17-05, Change 2. (Common Measures Policy for ETA Performance Accountability)
- In the participant file sample, what percentage of youth was receiving:
 - Only one program element?
 - 2-4 program elements?
 - 5 or more program elements?
- Based on discussions with staff, are these results representative of the mix of services provided to youth?
- Is the range of program elements being provided sufficient to meet the identified needs of youth in the individual service plan?

Sources and Notes:

Indicator 4.2.3 (C/E)

- Supportive services are being provided as needed to overcome client barriers to participation in and completion of the individual service plan.

Core Grant Guidance

Review a sample of case notes and participant files and interview case management staff.

- Has the grantee implemented a policy to provide supportive services? Do the case notes and participant files identify the barriers that may prevent the client from participating in and successfully completing the individual service plan?
- Do these files indicate that a supportive services strategy has been developed to overcome the identified barriers? Is it adequate?
- Is there evidence that supportive services have actually been provided in accordance with the plan?
- Does the grantee provide follow-up services to participants after they have been placed in jobs in order to enhance job retention?

Supplemental Guidance for Formula Grants – State (E)

Review the state’s policies on supportive and follow-up services and needs-related payments.

- What components of the state grantee’s policies most visibly address barriers to participation?
- What is the state’s policy on co-enrollment as a way to leverage WIA supportive services?
- What evidence is there that any limitations on supportive services the state grantee has established do not diminish the local area’s ability to address service barriers?
- How do the state grantee’s policies related to follow-up services for adults, dislocated workers, youth and participants in other formula grant programs continue to emphasize the need to address barriers?
- How does the state grantee ensure that its policies and requirements for supportive services are being followed?

Supplemental Guidance for Formula Grants – Local (C)

Review local policies for supportive and follow-up services and needs-related payments.

Compare local policies to the state grantee’s policies to assure consistency.

In addition to the questions below, the questions above from the Core Monitoring Guide for this particular indicator, should all be included in a local Formula Grant review.

- What financial needs analysis is conducted in order to identify and document financial barriers to participation that can be overcome through supportive services?
- To what extent do participant files document that supportive services are being provided according to the state grantee’s policies and requirements?
- To what extent are referrals for supportive services, such as substance abuse counseling, documented with substantive follow-up entries regarding the results of referrals?
- To what extent is the local area using resources other than formula grant resources to provide supportive services that address barriers to participation?
- What follow-up services are intended to address post-exit barriers when adult and dislocated worker participants are placed or otherwise exit the program?
- What kind of follow-up services are provided to youth? See 20 CFR 664.450(b). How are follow-up services provided?
- What kind of system does the local grantee use to track post-training progress of youth in both post secondary and employment placement?

Sources and Notes:

Indicator 4.2.4 (C/E)

- Participants are receiving training as needed and progressing toward achieving their employment goals.

Core Grant Guidance

Review a sample of case notes and participant files and interview case management staff.

- Does the file indicate that a specific employment goal has been identified for each participant?
- If training is needed to meet that employment goal, does the file reflect that a training plan has been developed that is consistent with achieving the employment goal?
- Is the participant on track in completing the training plan? If not, what has the case manager done to address the problem?
- If the participant has completed the training and service plan, has the grantee provided job search or other job development services to assist the participant in finding employment?

Supplemental Guidance for Formula Grants – State (E)

Review the state grantee's policies related to training, including customized training, OJT, ITAs and incumbent worker training.

Review the state grantee's requirements for the ETPL and the ETPL itself. Determine how the state grantee disseminates the ETPL and if there are any reciprocal agreements with other states. Identify state grantee requirements for assuring that training provider performance information is available to training participants. Review state policies for taking action when a training provider on the ETPL does not meet performance expectations.

Review TEGL 17-05 on provision of credentials/certificates for completion of training and any local guidance the state grantee has provided pursuant to it.

Review of this indicator should be performed in conjunction with Indicators 1.2.7 and 4.3.2.

- What proportion of adult and dislocated worker participants is receiving training statewide? How consistent is this proportion with the planned number of participants and with any state grantee policies that emphasize training?
- If actual service levels deviate substantially from the plan, why is this and what actions is the state grantee taking?
- What policies or benchmarks has the state grantee established to assure individual adult and dislocated worker participants progress toward their employment goals?
- What evidence is there that the state grantee manages and maintains the ETPL in accordance with regulatory requirements under WIA?
- What guidelines or policy has the state issued for ITAs for adult and dislocated workers and are they in accordance with regulatory requirements under WIA?
- What policies, including policies regarding performance requirements, has the state grantee established for OJT and customized training and are they in accordance with regulatory requirements under WIA?

- To what extent does the state grantee provide state discretionary funds (i.e., 15 percent funds) for incumbent worker training? What requirements have been established for incumbent worker training?
 - How does the state grantee assure that training increases a participant's skill level?
 - To what extent did the training result in participants receiving promotions and wage increases?

Supplemental Guidance for Formula Grants – Local (C)

Review the local area's training policies.

Obtain and review reports that reflect actual service levels for appropriate periods immediately prior to the review.

- What proportion of adults and dislocated workers are receiving training? To what extent is this proportion consistent with the local plan?
- If actual service levels substantially deviate from the local plan, why is this and what actions are being taken?
- What is the local area's written policy defining who qualifies for training? Is this policy consistent with the regulatory requirements in WIA (20 CFR 663.310)?
- How does the local area define and measure individual progress toward meeting employment goals and what has the local area concluded from the results of these measures?
- For those participants in the file review who were receiving training, was it provided through an ITA and by a provider on the ETPL? If there are any cases where an ITA was not used, what is the basis for this? What is the local area's justification and is it consistent with the requirements of WIA at 20 CFR 663.430?
- What evidence is there that training programs are directly linked to documented employment opportunities in the local area, or in another area to which the participant is willing to relocate? WIA §134(d)(4)(a)(iii)
- If participant training is provided via OJT is there a written contract with each employer in all instances and is the length of training and cost appropriate? 20 CFR 663.700 and 663.705 (See the OJT Review Tool)
- Do participant files reflect regular contact between case managers and participants to discuss the participant's progress toward employment goals?
- Are youth receiving paid and unpaid work-related training to help them reach their goals? If so, what is the policy for unpaid work related training? 20 CFR 664.460(a).
- Is on-the-job training provided to youth over the age of 18? Does it appear that the provision of this service is based on the objective assessment for the youth? 20 CFR 664.460(10)(d).
- Is there a structured work-based learning plan for youth that outlines increased responsibility and skill levels?

Sources and Notes:

<p>OBJECTIVE 4.3 High-Growth Jobs: The grantee provides employment and training services that target high-growth jobs within expanding economic sectors.</p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 4.3.1 The grantee provides information on high-growth occupations and regional economic trends to job seekers and employers. E</p> <p><input type="checkbox"/> 4.3.2 Training activities are concentrated in those occupational areas having high-demand jobs in high-growth sectors. E</p> <p><input type="checkbox"/> 4.3.3 The grantee provides effective job search and job placement services to place participants in high-growth occupational areas. E</p>	
<p>Indicator 4.3.1 (E)</p>	
<p><input type="checkbox"/> The grantee provides information on high-growth occupations and regional economic trends to job seekers and employers.</p>	
<p>Core Grant Guidance <i>Review the labor market information that the grantee has made available and interview staff responsible for this information.</i></p> <ul style="list-style-type: none"> ▪ Does the grantee provide labor market information to job seekers and employers in an easy-to-understand format? ▪ Does the grantee use this information to shape its career exploration resources and career counseling activities? <p>Supplemental Guidance for Formula Grants - State <i>Obtain and review information on high-growth occupations and regional economic trends the state grantee produces or makes available via a website or other means to job seekers and employers.</i></p> <p><i>Review of this indicator should be performed in conjunction with Indicators 1.1.4, 4.3.2 and 4.3.3.</i></p> <ul style="list-style-type: none"> ▪ What information on high-growth occupations and regional economic trends does the state grantee make available to job seekers and employers? In what areas do there appear to be deficiencies? How does it make this information available? ▪ What are the state grantee’s procedures for updating available workforce information so that it continually reflects current information on high-growth occupations and other economic indicators as the regional economy changes? How does the state grantee provide youth specific workforce information in easy-to-understand electronic and hardcopy formats that is also accessible to youth with disabilities? ▪ How does the state grantee educate the local system on the tools and information available to it? <p>Supplemental Guidance for Formula Grants – Local <i>Identify how the local area promotes information on high-growth occupations and regional economic trends that the state grantee makes available.</i> <i>Identify any additional information the local area produces and makes available to employers and job seekers.</i></p>	

- What information on high-growth occupations and regional economic trends is available in the resource room? How does the resource room staff assist job seekers and employers in accessing and interpreting this information? Are resource room staff able to explain to customers the workforce information, CareerOneStop, and O*NET products and services available and how to use them?
- How do local area case managers use information on high growth, high wage jobs, employment trends, and other career data to help participants make appropriate career decisions, and to determine participants' qualification to receive training services?
- What kind of training have the case managers received in order to understand and make use of such workforce information when developing a service strategy for their customers?

Sources and Notes:

Indicator 4.3.2 (E)

- Training activities are concentrated in those occupational areas having high-demand jobs in high-growth sectors.

Core Grant Guidance

Compare the list of occupations that the grantee has identified as high-growth with the list of occupations in which training is actually occurring. Interview staff responsible for assisting participants in making training choices.

- Has the grantee targeted its training strategy toward preparing participants for jobs in high-growth occupational areas?
- Has the grantee confirmed with targeted employers that its training plans are meeting their needs (e.g., meeting industry recognized standards)?
- Does the grantee make use of apprenticeships in meeting the skill needs of employers?
- To what extent do the actual choices for training (classroom and on-the-job training) coincide with the targeted occupations in high-growth areas? If they do not coincide, why not?
- If the grantee has not identified high-growth training priorities, how does it make decisions about the training choices that it supports?

Supplemental Guidance for Formula Grants - State

Review the State WIA-WP Plan and the state grantee's training policies to identify high-demand occupations the state grantee has identified

Review of this indicator should be performed in conjunction with Indicators 1.1.4, 4.3.1 and 4.3.3 associated with high-growth occupations.

Review of this indicator should also be performed in conjunction with Indicators 1.2.7 and 4.2.4 associated with participant training.

- How does the state grantee ensure that the local workforce systems provide training opportunities that lead to employment in high-demand occupations the state grantee identifies? How does the ETPL reflect such opportunities?

Supplemental Guidance for Formula Grants – Local

- To what extent do participant files demonstrate that ITAs are being used for training in high demand occupations in high growth areas? Identify cases where it appears that training is not in an area with high demand/high growth occupations and discuss these with local area representatives to determine if there is adequate justification for this training.

Sources and Notes:**Indicator 4.3.3 (E)**

- The grantee provides effective job search and job placement services to place participants in high-growth occupational areas.

Core Grant Guidance

Interview staff responsible for job placement services. Compare the list of occupations that the grantee has identified as high-growth with the list of occupations in which job placements are actually occurring.

- Has the grantee identified high-growth occupations to target for job placements?
- To what extent is job placement staff knowledgeable about the high-growth occupations that are being targeted?
- To what extent do actual job placements coincide with targeted occupations in high-growth areas? If they do not coincide, why not?

Supplemental Guidance for Formula Grants - State

Review of this indicator should be performed in conjunction with Indicators 1.1.4, 4.3.1 and 4.3.2 associated with high-growth occupations and with Indicator 4.6.1 associated with job search and job placement.

- What does the state grantee do to encourage job search and job placement activity at the local level that is focused on high-growth occupational areas? How does the state grantee ensure these occupational areas meet established criteria defining self-sufficiency?
- How does the state grantee ensure that its self-sufficiency criteria are integrated into local job search and job placement activities?
- How does the state gauge the effectiveness of local job search and job placement activity?
- How does the state grantee use both WIA and Wagner-Peyser resources to assure that job search and job placement activities are effective and targeted toward high-growth occupational areas?

Supplemental Guidance for Formula Grants – Local

Obtain and review information on local area job search and placement strategies and workshops.

Identify any unique features or staffing responsibilities established for special populations, including veterans and people with disabilities.

Interview staff to determine if persons with disabilities are given identical consideration.

- What types of job search assistance activities are offered by the one-stop center? In what ways do these workshops emphasize high-growth occupational areas?
- How are WIA Title I and other resources used to maximize the effectiveness of job development and placement activities?
- How is workforce information used in job search workshops or otherwise to help job seekers and/or job developers make good decisions regarding job placement?
- How is job development and placement conducted for persons with disabilities? How does the structure of the job search/job placement programs ensure that people with disabilities are provided equal access to high growth training and job opportunities? What accommodations are provided?
- How does the local area measure the effectiveness of its job search/job placement activities?
- How do local areas assure that job placements are accurately reported to the programs which provide funds for staff engaged in job search and placement activity?

Sources and Notes:

<p>OBJECTIVE 4.4 Integrated Services: The grantee uses an integrated approach to provide services to job seekers and employers in a seamless service delivery system.[20 CFR 662 Subpart B; 20 CFR 663 Subpart A; 20 CFR 664 Subpart G; 20 CFR Part 653; 20 CFR 663.430; and 29 CFR 32 and 37.]</p>	<p>Tools Directory:</p> <ul style="list-style-type: none"> ▪ Most recent Workforce Information Annual Progress Report ▪ Recent On-site Workforce Information Grant Review Reports
<p>Summary of Indicators</p> <p><input type="checkbox"/> 4.4.1 The grantee coordinates its service delivery with other workforce agencies to provide integrated services to customers. C</p> <p><input type="checkbox"/> 4.4.2 Customers have access to the full array of workforce partner services. E</p> <p><input type="checkbox"/> 4.4.3 Employer services are integrated to minimize duplicative employer contact and maximize access to employment information. E</p> <p><input type="checkbox"/> 4.4.4 The state grantee has an effective strategy in place to accelerate and reinforce service integration through staff capacity building and cross training. E (New for Formula)</p> <p><input type="checkbox"/> 4.4.5 The state has established a workforce system that provides integrated services to special populations, including MSFW, persons with disabilities, limited English proficiency (LEP) individuals, older workers, ex-offenders, low income individuals and public assistance recipients, and military spouses. C (New for Formula)</p>	

<p>Indicator 4.4.1 (C)</p>
<p><input type="checkbox"/> The grantee coordinates its service delivery with other workforce agencies to provide integrated services to customers.</p>
<p>Core Grant Guidance</p> <p><i>Review the grantee's service flow plans. Review any agreements between the grantee and other workforce agencies to more fully integrate their service delivery system; interview management about any additional plans to do so. Interview front-line staff providing direct services to customers.</i></p> <ul style="list-style-type: none"> ▪ Has the grantee identified methods for integrating its services with other workforce programs? Please see VII. A. of the planning guidance. ▪ Has the grantee and its partner agencies jointly determined whether there are any gaps or duplication in the one-stop center's (or community's) service delivery structure? ▪ Does the grantee utilize the specialized services of other partner programs to support its operations, thus not duplicating services that are already available and resulting in cost savings to the grantee? Please see VII C of the planning guidance. ▪ Does the grantee, along with its partners, provide services to customers without regard to funding stream and program affiliation (e.g., joint intake, assessment, case management, and job placement)? ▪ Does the grantee participate with other partners in integrating their customer tracking system or other data bases?

Supplemental Guidance for Formula Grants – State

Review the State WIA-WP Plan as it relates to integration of service delivery with other workforce agencies (relates to ETA Planning Guidance).

Review of this indicator should be performed in conjunction with Indicators 1.3.1, 1.3.2 and 4.4.4.

- How does the state facilitate/encourage integrated service delivery throughout its local system?
- How does the state grantee assess the level of program/service integration at a state level and in local areas?
- How does the state grantee determine if youth formula grant programs are integrated in one-stop centers?
- Is there collaboration between the workforce system, education, human services, justice and others in order to serve youth?
- How have apprenticeship and Job Corps been integrated into the one-stop system? WIA §112(b)(18)(C)

Supplemental Guidance for Formula Grants - Local

- To what extent do all partner agencies use a common intake process designed to eliminate overlapping or redundant participant interviews, data collection and other duplicated activity? How effective is this process?
- How do case managers and other appropriate staff access information on all one-stop center programs and services, including information on all services an individual participant is receiving?
- To what extent is there a collaborative approach to serving youth at the local level? How is this collaboration being implemented? Are all appropriate partner agencies participating fully? What, if any, results has this collaboration accomplished? (Reference planning guidance)What kind of formal linkages are apparent in participant files? Does there appear to be adequate coordination with youth-serving organizations (e.g., educational entities, juvenile justice system, social service agencies, etc.)? For example, do files suggest that cross-agency referrals are being actively made, that there is regular communication among case managers of multiple service agencies and that joint problem solving occurs?
- How are youth services coordinated with one-stop system services, including access to apprenticeship and Job Corp programs 20 CFR 664.700(A)?
- How are older youth co-enrolled to maximize resources and services?
- How have apprenticeship and Job Corps been integrated into the one-stop center? WIA §112(b)(18)(C).

Sources and Notes:

Indicator 4.4.2 (E)

Customers have access to the full array of workforce partner services.

Core Grant Guidance

Interview front-line staff responsible for providing direct services to customers.

Use the results of your file review to determine whether customers are provided access to all appropriate services available in the service area.

- Are customers informed about, and do case managers consider, the full range of partner program services when determining which services are appropriate?
- Is the grantee able to make a direct referral to other partners' services?
- Is there evidence in the case files or elsewhere that referrals are regularly being made between partners and programs?
- Have the grantee and its partners instituted a policy on co-enrollment? To what extent are customers co-enrolled in more than one program? Has co-enrollment been increasing over time?

Supplemental Guidance for Formula Grants – State

Review any state policies surrounding co-enrollment of participants.

Review State WIA-WP Plan as it relates to access to services by special populations.

- What actions has the state grantee taken to expand access to workforce services? For example:
 - Has the state grantee provided policy guidance to local areas regarding electronic access to services?
 - Has the state grantee provided guidance to local areas regarding the number and location of physical service locations?
 - Has the state grantee established incentives to expand access to services?
- How does the state grantee ensure that special populations, such as LEP, migrant workers, older workers, people with disabilities, and veterans, have access to the full array of workforce partner services i.e., policy guidance; Disability Resource Coordinators/other dedicated staff with disability expertise, or other services for people with disabilities; marketing efforts; cross-program workgroups or committees; training, etc?
- What, if any goals and milestones has the state established to increase the rate of co-enrollment of WIA participants in other programs?

Supplemental Guidance for Formula Grants - Local

Obtain a list of services available through the one-stop system and the methods by which customers can access each service.

Review any local policies surrounding co-enrollment of participants.

- Is co-enrollment occurring according to state grantee/local policy? Is mandated co-enrollment happening (e.g., co-enrollment of Trade Adjustment Assistance (TAA) participants as dislocated worker participants under WIA)?
- What labor exchange services, including staff assisted services, are available to job seekers and employers every working day?

- What specific steps are taken locally to ensure that special service populations can access the full array of services available at the one-stop center?

Sources and Notes:

Indicator 4.4.3 (E)

- Employer services are integrated to minimize duplicative employer contact and maximize access to employment information.

Core Grant Guidance

Interview staff who contacts, makes referrals, and provides services to employers.

- Do service delivery plans include coordinating employer outreach with other workforce or partner programs to minimize repetitive contacts?
- Are services to employers marketed under one name and in a joint, coordinated approach?
- Do the grantee and its partners maintain and use a shared job bank or job listing service? Are job orders shared widely among partner programs?
- Do the grantee and its partners maintain and use a shared list of job seekers (and résumé data) that are ready to be referred to employers?
- Are job candidates screened before being referred to ensure that employers are receiving qualified candidates?

Supplemental Guidance for Formula Grants - State

Review the description of business services included in the State WIA-WP Plan. Obtain and review any policies the state grantee has issued regarding the integration of business services.

Review of this indicator should be performed in conjunction with Indicators 1.2.1, 1.2.2, 4.5.1 and 4.5.2.

- What policies has the state grantee issued or what actions has it taken to minimize duplicative employer contacts at the local level? What, if any, joint policy direction and/or training have state agencies serving employers provided to their local staff?
- How has the state grantee used its 15 percent funds to integrate Wagner-Peyser, WIA, and other partner business services at the local level? Examples might be state level staff used to cover local territories or the state providing staff funding at the local level as part of its integration strategy.
- What, if any, resources from other partner programs has the state grantee used to integrate business service staff and operations?

Supplemental Guidance for Formula Grants – Local

Obtain and review information from local plans, reports and other available documents describing how business services are offered in the local area.

- What steps has the local area taken (e.g., development of a business service plan or the use of business service teams) to ensure an integrated approach to engaging the business community?

- If the local area has a business service plan, how is it communicated to all partner staff to ensure contacts with employers are handled timely and professionally?
- How does the local area organize its business customers to facilitate the provision of integrated solutions at minimum cost to area businesses?
- What evidence is there that the local area has identified and classified all partner core services into an integrated menu of services for employers?
- What process is in place to ensure that the highest qualified jobseekers are referred to employers and to minimize multiple referrals, or the referral of less qualified candidates to businesses?
- How does the local grantee ensure that partners of the one-stop delivery system are not competing for business contacts?
- How does the grantee ensure that any fee-for-service offered at one-stop centers does not create a competitive advantage in relation to services provided by private sector organizations including private staffing organizations?

Sources and Notes:

Indicator 4.4.4 (E)

- The state grantee has an effective strategy in place to accelerate and reinforce service integration through staff capacity building and cross training. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Interview state grantee-staff responsible for staff development and training.

Obtain and review statewide staff development or training plans, curricula and other written materials describing the state grantee’s capacity building efforts.

Review of this indicator should be performed in conjunction with Indicators 1.3.1, 1.3.2 and 4.4.1.

- What is the state grantee’s strategy to promote and provide staff training and capacity building for state and local staff?
- How does this strategy address priorities identified through a training needs assessment?
- What specific staff training initiatives has the state grantee established to promote service integration?
- To what extent has/does the state provide cross-training opportunities for local one-stop center staff?
- Does the state grantee have a staff credentialing or certification process for one-stop system staff job functions? What is the curriculum? How does the certification process work? How many staff have been certified?

- What training has/does the state grantee provide/offer to assist the local system with providing quality services to special populations, including, but not limited to MSFWs (20 CFR 653.107 and 20 CFR 653.109 (c)); people with disabilities; the LEP population; Older Workers and veterans? What type of training have the Disability Resource Coordinators/other dedicated staff with disability expertise, received? Is it sufficient to ensure improved accessibility at the local level?
- What guidance does the state grantee provide to local workforce investment areas on local staff training or what requirements has it established?
- How does the state grantee measure the effectiveness of its capacity building efforts?

Supplemental Guidance for Formula Grants – Local

Obtain and review the local area's staff development or training plan.

- What is the local area's staff development plan or training strategy to expand the staff's capacity to function across program lines? To what extent is this plan and strategy driven by a training needs assessment? To what extent is this plan and strategy consistent with the state grantee's policies and requirements?
- What system or process is in place locally for joint training by all local workforce system partners, including cross training to further service integration goals?
- What kind of cross-training have the one-stop center staff received?
- Does the local staff development plan or training strategy encompass:
 - Wagner-Peyser staff?
 - Training staff to serve the special needs populations, including training on access, accommodation resources and how to use them?
 - Disabled Veterans' Outreach Programs (DVOP) and/or Local Veterans' Employment Representatives (LVER) cross training of other staff on serving veterans?
 - Training by Disability Resource Coordinators/other dedicated staff with disability expertise,, if applicable, to assure quality services are provided to people with disabilities?
 - Training of business service staff and those in contact with the employer community have to assure they have full knowledge of all partner services, incentives to businesses, including tax credit opportunities?
- To what extent does the local area actually provide training in accordance with its plan and strategy?
- To what extent does feedback obtained from staff indicate that the training provided is valuable and effective?

Sources and Notes:

Indicator 4.4.5 (C)

- The state has established a workforce system that provides services to special populations, and integrates these services in the one-stop service delivery system. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Interview state grantee staff responsible for or knowledgeable about service delivery.

Review WIA-WP State Plan for service delivery strategies for special populations (relates to ETA Planning Guidance, Unified Planning Instructions, Special Populations and other groups, 1.(b)(a)-(i)).

Review policies relevant to services to special populations.

Review of this indicator should also be performed in conjunction with Indicators 4.7.2, 4.7.3, 4.7.4, 4.7.5 and 5.5.3.

- What strategies (including outreach) does the state grantee have in place to effectively serve special populations through its one-stop delivery system? Special populations include, but are not limited to, youth; people with disabilities; MSFWs; Older Workers; and the LEP population.
- Does the state grantee participate on any cross-agency Advisory/Success Committees that focus on providing services to special populations?
- How do the state's policies encourage local efforts to offer individuals with disabilities the same opportunities to participate in all programs, with any applicable accommodations, modifications or aids without relegating persons with disabilities to receive separate or different services? 29 CFR 37.7(a)(4), 29 CFR 37.7(c).
- How does the state grantee determine the effectiveness of its efforts to work collaboratively with its strategic partners to develop strategies to better serve special populations?
- Has the state grantee developed a demographic profile of the population served by language spoken including a list of the numbers in each language category? See Department of Labor LEP Policy Guidance for Recipients
- What mechanism has the state grantee developed to monitor and update the LEP plan as required in LEP guidance? See State Two Year Plan and Department of Labor LEP Policy Guidance for Recipients.
- Has the state grantee identified compulsory labor exchange activities that require language services? If so, what provisions have been made for these services? LEP - Department of Labor, LEP Policy Guidelines for Recipients.
- Are the state grantee's strategies and policies in the following areas sufficient to meet the demand for services to military spouses in the state?
 - Does the state grantee have a strategy for conducting specialized outreach for military spouses?
 - What service delivery strategies has the state grantee promoted for military spouses?
 - Has the state grantee developed policies that expand on statutory/regulatory requirements to provide access to as many military spouses as possible who are seeking and are in need of employment and training assistance?

(Refer to U.S DOL, Civil Rights Center's 'Section 188 Disability Checklist - Element 5.4')

Supplemental Guidance for Formula Grants - Local

Review any local policies related to services for special populations.

Review one-stop partners' MOU(s).

- What guidance and/or training has the local Center received from the state regarding serving special populations through the one-stop system?
- What services, if any, are available to the following special population groups: LEP; MSFW; people with disabilities; veterans; Older Workers; military spouses?
- Does the one-stop center have staff that facilitate effective delivery of services to special populations, i.e., bi-lingual staff; disability resource coordinators/staff with disability expertise; Senior Community Service Employment Program (SCSEP) participants as Older Worker specialists; etc?
- What, if any, non-mandatory agencies that specialize in serving any of the above special population groups participate in the one-stop center?
- How, if at all, does the one-stop center conduct outreach for these special population groups? What kind of marketing materials are used? What staff are used?
- To what extent does the one-stop center comply with all applicable legal requirements related to architectural and programmatic accessibility for persons with disabilities, pursuant to 29 CFR 32.27 and 32.28? How do they determine that they are compliant? (Use U.S. DOL, Civil Rights Center's 'WIA Section 188 Disability Checklist')
- How does the one-stop center management/staff ensure that communications with persons with disabilities are as effective as communications with other persons, including furnishing appropriate auxiliary aids and services, and giving primary consideration to the requests of each person with a disability, pursuant to 29 CFR 37.9?
- Is information made available to customers in multiple formats or media to meet the needs of persons with disabilities and/or language barriers?
- Does the one-stop center appear to provide reasonable accommodations and reasonable modifications for qualified persons with disabilities, pursuant to 29 CFR 37.8? How does the one-stop center determine what is reasonable? (See checklist to determine "what is reasonable".)
- Does the one-stop center have assistive technology (AT) for people with disabilities? What types of assistive technology are available? How is the assistive technology integrated in the Resource Room? Is all of the AT available on one or two stations or is it spread out across stations to allow for maximum usage? Are all resource room staff trained to use the AT? (Reviewer may test this by asking for a demonstration by resource room staff.)
- How does the center promote and develop employment opportunities for job seekers in any of these special population groups?
- How does the local grantee evaluate the effectiveness of its services for special populations?

Sources and Notes:

<p>OBJECTIVE 4.5 Business Relationships: The grantee provides effective services to employers.</p>	<p>Tools Directory:</p> <ul style="list-style-type: none"> ▪ Most recent Workforce Information Annual Progress Report ▪ Recent On-site Workforce Information Grant Review Reports
<p>Summary of Indicators</p> <p><input type="checkbox"/> 4.51 The grantee supports a business service center for use by employers. E</p> <p><input type="checkbox"/> 4.52 The grantee tailors the delivery of its services and products to meet the needs of business. E</p>	

<p>Indicator 4.5.1 (E)</p>
<p><input type="checkbox"/> The grantee supports a business service center for use by employers.</p>

<p><u>Core Grant Guidance</u> <i>Observe the grantee's facilities.</i></p> <p><i>Interview staff who serve the employer customer.</i></p> <ul style="list-style-type: none"> ▪ Is there a business service center, resource room, or other area that provides space, equipment, and materials for employer use? Is this area used and valued by employers? ▪ What other special services are provided to the employer customer? ▪ Has the grantee developed the staffing and resource capacity to effectively deliver services to the employer? ▪ Are the grantee's facility and layout designed to appeal to the business customer? Do they convey the image that the grantee looks and operates like a business? <p><u>Supplemental Guidance for Formula Grants - State</u> <i>Review the State WIA-WP Plan to identify/assess business services strategies (relates to ETA Planning Guidance)</i></p> <p><i>Obtain and review policies, reports or other information that describes state grantee requirements related to business services centers</i></p> <p><i>Review of this indicator should be performed in conjunction with Indicators 1.2.1, 1.2.2, 4.4.3 and 4.5.2.</i></p> <ul style="list-style-type: none"> ▪ How does the state grantee support and encourage the development of business service centers in local areas? ▪ How does the state grantee measure the effectiveness of its action to support and encourage the development of business centers in local areas? ▪ How does the state grantee assure workforce information, including wage information, employment trends, commuting patterns, etc. is integrated into local business centers?

Supplemental Guidance for Formula Grants – Local

Obtain and review information on the local area's business center. Visit the business center to observe physical layout, available resources, level of utilization and staff roles and responsibilities.

- To what extent is the business center structured to:
 - Provide employers access to a comprehensive list of job seekers who may be qualified for immediate job openings?
 - Promote and/or conduct periodic events such as job fairs and other networking opportunities that directly connect employers to prospective job seekers as well as employers to employers?
 - Promote and/or provide information sessions, seminars or forums on topics of interest to business based on input from employers?
 - Provide the flexibility necessary to ensure that businesses have access and can receive services more effectively?
 - Coordinate the activities of the business service center with those of the local economic development agency?
- To what extent does the structure and operation of the business center appear to meet the needs of employer customers?

Sources and Notes:

Indicator 4.5.2 (E)

The grantee tailors the delivery of its services and products to meet the needs of business.

Supplemental Guidance for Formula Grants – Local

Obtain a menu of business services from the local area which identifies the service, the method of provision and the partner(s) providing the service.

Review of this indicator should be performed in conjunction with Indicators 1.2.1, 1.2.2, 4.4.3 and 4.5.1.

- To what extent does the local area's menu of business services appear to respond to the needs of business? In what areas are there potential deficiencies?
- To what extent has the local area targeted employer groups to better identify priority business or industry-wide needs and provide customized solutions?
- To what extent are job orders under the Wagner-Peyser job order system used as a tool to customize services to employers?
- How does the one-stop center use WIA Title I discretionary funds to enhance customized screening and referral of qualified training applicants for particular employers?
- What other strategies does the local office/area use to provide customized services to businesses?
- To what extent does the grantee use WIA Title I or other formula grant funding sources to provide customized business services for a fee?
- How is rapid response used to meet the needs of businesses that are declining, transitioning, growing or expanding?

Sources and Notes:

<p>OBJECTIVE 4.6 Labor Exchange System: The state grantee maintains a labor exchange system that provides effective workforce solutions for both employers and job seekers.[WIA §112(b); 20 CFR 662.240; 20 CFR 252.210; and the Wagner-Peyser Act §7.] (New For Formula)</p>	<p>Tools Directory</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 4.6.1 The state grantee’s job matching system is structured to encourage employers and job seekers to use the system, and produces effective results for system users. E</p> <p><input type="checkbox"/> 4.6.2 Timely and relevant workforce information is made available to employers and job seekers through the state grantee’s labor exchange system. C</p> <p><input type="checkbox"/> 4.6.3 The state grantee makes effective use of available technology to enable labor exchange system and information integration. E</p> <p><input type="checkbox"/> 4.6.4 The state grantee’s labor exchange system assists UI claimants in meeting their work search obligations and helps them become reemployed quickly C.</p>	

<p>Indicator 4.6.1 (E)</p>
<p><input type="checkbox"/> The state grantee’s job matching system is structured to encourage employers and job seekers to use the system, and produces effective results for system users.</p>
<p>Supplemental Guidance for Formula Grants – State <i>Interview state grantee staff responsible for the job matching system.</i></p> <p><i>Review policies and other written materials describing the job matching system requirements and operation.</i></p> <p><i>Review of this indicator should be performed in conjunction with Indicator 4.3.3.</i></p> <ul style="list-style-type: none"> ▪ How does the state grantee assure that job matching services are available to all employers and job seekers, including UI claimants, veterans, MSFWs, older workers and individuals with disabilities? 20 CFR 652.207(b)(1) and 20 CFR 653.102 ▪ What special features for veteran participants can be found in the job matching system? ▪ Which customers do not receive job matching services and what alternative services are offered to them? ▪ What variety of methods (including online services) is made available to employers to place job orders in the state’s job bank? ▪ Does the job matching system allow job orders to be suppressed? If yes, under what circumstances and for how long? Who releases suppressed job orders to the system? ▪ What is the state grantee’s plan regarding the continuation of staff-assisted job order services? ▪ If the state grantee’s job matching system is self-accessed, is it easy for employers and job seekers to use?

- How does the state grantee assist employers with recruitment of workers from within the state and from across state lines?
- For job matching services provided to MSFWs:
 - How does the state grantee ensure that job order information (including interstate clearance orders) is conspicuous and available to MSFWs in all one-stop career centers? 20 CFR 653.102
 - How does the state grantee ensure that MSFW job applications and job orders are in compliance with requirements in 20 CFR 653.103 and 653.501, respectively?
 - Does the state grantee review both intra and interstate agricultural clearance orders? Against what standards? 20 CFR 653.501(d) and 653.501(e).
 - If orders from employers in the state have interstate clearance, how is the state grantee notified if crop conditions or other material conditions of employment have changed after an order has been cleared? 20 CFR 653.502
 - When an order is cleared out of state, to what offices is the copy of the order sent?

Supplemental Guidance for Formula Grants - Local

Reviewer should look for evidence that state policies are implemented at the local level by requesting a system demonstration from staff.

- Is the local grantee utilizing the job matching system as envisioned by the state grantee?
- Does the one-stop center offer staff-assisted job order services?
- What system is in place to ensure that one-stop career center staff follow-up on client job referrals? What information is collected and how is it used?
- How does the one-stop center establish and maintain contact with economic development staff to coordinate employer recruitment or job expansion, marketing of services, etc? 20 CFR 667.262(b)(3).
- To what extent does the local grantee conduct surveys regarding job seeker and business customer satisfaction with the results of the job matching system? What are the results and how are they used?
- How do local area staff encourage MSFWs (20 CFR 653.103 (d)) and veterans to register and complete full applications?
- How is job matching for veterans implemented and documented?
- How does the local grantee evaluate the effectiveness of its job matching program for MSFWs and/or veterans?

Sources and Notes:

Indicator 4.6.2 (C)

- Timely and relevant workforce information is made available to employers and job seekers through the state grantee's labor exchange system.

Supplemental Guidance for Formula Grants - State

Interview state grantee staff responsible for workforce information.

Obtain and review information on the workforce information made available to employers and the ways in which this information is made available.

Review information on the types of workforce information produced, including sample reports and relevant documents. The same or similar questions are in Objective 4.8.2. It is not necessary to answer them in both places.

See WIA §112 and 20 CFR 662.640

- What types of information are available through the state grantee's workforce information system?
- Through what vehicles and in what format(s) is workforce information made available to job seeker and business customers?
- How frequently is workforce information updated and distributed?
- How do job seekers access the state's job bank? What information is required from a job seeker before a search for job openings can begin?
- How does the state grantee provide access to job listings posted within the state and in labor markets crossing state lines?
- Does the state grantee provide additional funding for workforce information activities to support the labor exchange system?
- How does the state grantee use workforce information to establish statewide strategies to serve employers?
- What, if any, new workforce information products has the state grantee developed based on expressed customer needs?

Supplemental Guidance for Formula Grants - Local

Obtain and review information on workforce information made available to employers through local business centers or other means.

- How does the local one-stop staff use workforce information to help job seekers make appropriate career choices?
- In addition to Labor Market Information (LMI) data, how do one-stop staff use supplemental employment - related sources including Local Employment Dynamics (LED) data from the U.S. Census Bureau to identify employer's problems such as turnover rate, recruitment needs, etc.? How is the information used to provide business and industry solutions including developing layoff aversion strategies for business in transition?

Sources and Notes:

Indicator 4.6.3 (E)

- The state grantee makes effective use of available technology to enable labor exchange system and information integration.

Supplemental Guidance for Formula Grants – State

Interview the state grantee staff responsible for technology support to the labor exchange system.

Review a copy of the state grantee’s technology plan or similar document.

- What is the scope and structure of the state grantee’s current job matching system, One Stop Operating System (OSOS), etc.? If not an integrated system, how is information on the separate systems shared and communicated? Are there specific plans for future system integration?
- What is the state grantee’s long-term technology plan for the system to support labor exchange? Are major changes being planned for how jobs will be listed and resumes posted?
- Does the state provide additional funding to local workforce areas to upgrade the technology they use in support of the state grantee’s labor exchange system?

Sources and Notes:**Indicator 4.6.4 (C)**

- The state grantee’s labor exchange system assists UI claimants in meeting their work search obligations and helps them become reemployed quickly.

Supplemental Guidance for Formula Grants – State

FPOs should review the 9048 and 9049 reports to determine the number of profiled UI claimants referred to services and the number who report to services.

- What options are available to UI claimants for reporting the results of their work searches? Do work test functions occur on-site, via telephone, via mail, or electronically? Wagner-Peyser Act §7(a)(3)(F)
- Who is responsible for performing these functions? 20 CFR 652.210. Do Wagner-Peyser funded staff conduct Eligibility Review Program (ERP) assessments?
- What information is provided to the UI administrative agency when a claimant registers for work? What is the standard method of providing such information?
- Is information on referrals to jobs and the results of those referrals sent to the UI administrative agency? What is the standard method of providing such feedback?

- How effective are the state grantee’s efforts to use Worker Profiling and Reemployment Services to assist UI claimants in returning to work?
 - Is the worker profiling process effective in identifying persons who need training in order to return to suitable work?
 - If the process is not effective, when was the profiling model last updated?
 - Are individuals identified as needing training and other services being referred to one-stop centers?
 - Does the system track those referrals to verify that the individuals referred came to a one-stop center and were provided with appropriate services?
 - Does the system continue to track these individuals to determine if and when they were able to return to work because of these services?
- If large numbers of claimants are referred to services but do not report what are the causes? What corrective action is the state taking?

Sources and Notes:

<p>OBJECTIVE 4.7 State Administered Grants: The state grantee effectively manages the grants for which it is the direct grantee, consistent with the grant plans and applicable requirements. [25 USC 51; WIA §§134 and 167; 20 CFR 653 Subpart B; and 20 CFR Part 658.] (New For Formula)</p>	<p>Tools Directory: T.4.7.1 WOTC Technical Assistance and Compliance Review Toolbox</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 4.7.1 The state grantee administers the Work Opportunity Tax Credit (WOTC) grant to provide effective hiring incentives to employers. C</p> <p><input type="checkbox"/> 4.7.2 The grantee uses the National Farmworker Jobs Program (NFJP) grant to effectively serve migrant and seasonal farm workers. C</p> <p><input type="checkbox"/> 4.7.3 The state grantee effectively uses WIA Incentive Grants to achieve its strategic goals. C</p>	

<p>Indicator 4.7.1 (C)</p>
<p><input type="checkbox"/> The state grantee administers the Work Opportunity Tax Credit (WOTC) grant to provide effective hiring incentives to employers.</p>
<p><u>Supplemental Guidance for Formula Grants – State</u> <i>Obtain and review policies and procedures issued by the state grantee. Use the Technical Assistance and Compliance Review Guide in the tool kit.</i></p> <p><i>Obtain and review other information needed to identify the current backlog of pending requests, elapsed processing times, certification volumes, denial rates and staffing plans.</i></p> <ul style="list-style-type: none"> ▪ Are state grantee’s WOTC policy and procedures comprehensive and up to date? Does the state process and verify certification requests as required? ▪ Does the state have a backlog of certification requests? If yes, what is the states plan for reducing the backlog? ▪ Does the state grantee coordinate its activities with participating partner agencies to maximize employer use of tax credits? ▪ How does the state grantee market the tax credit programs to employers? Are tax credit programs linked with other employer incentives? Does the grantee target small businesses, the primary source of new jobs, as part of its strategy to use tax credits to spur job growth? ▪ What are the most pressing problems or issues the state grantee has encountered in administering the WOTC programs and what is it doing to resolve them? <p><u>Sources and Notes:</u></p>

Indicator 4.7.2 (C)

- The state grantee uses the -National Farmworker Jobs Program (NFJP) grant to effectively serve migrant and seasonal farm workers.

Supplemental Guidance for Formula Grants – State

Review state grantee policies and procedures related to MSFW services. If available, review the latest State Agency Services to Migrant and Seasonal Farmworkers Annual Report. If available, review the monitoring tool the State Monitor Advocate (SMA) uses to oversee the program, as well as any recent monitoring reports. Review the State WIA-WP Plan as it relates to strategies for serving MSFWs. Review the state agency's affirmative action plan to ensure that it includes the MSFW population. Review of this indicator should be performed in conjunction with relevant aspects of Indicator 4.4.5.

- How does the state grantee fulfill the role of SMA? Does it have a full-time SMA; part-time; no SMA, etc.? If the state grantee has a part-time SMA, was approval obtained from the Regional Administrator?
- What policies has the state grantee issued re: services to MSFWs?
- What is the scope of the SMA's oversight efforts, i.e., what topics are covered? Is the SMA overseeing all state agency responsibilities as required in 20 CFR 658.601?
- Does the state grantee monitor its local offices, and assure that other state agencies (e.g. Agriculture, Education) monitor compliance with Job Service regulations in serving MSFWs on an ongoing basis as required in 20 CFR 653.108. Is the required monitoring being performed?
- How does the state grantee ensure that services to MSFW family members, farm labor contractors, and crew members are provided in accordance with 20 CFR 653.104?
- How is corrective action and technical assistance provided? Ask for examples.
- How does the state grantee operate the outreach program in order to locate and contact MSFWs who are not being reached by normal intake activities in accordance with 20 CFR 653.107?
- What efforts has the state grantee made to recruit former MSFWs as state agency staff? Are these efforts documented? 20 CFR 653.111(c)
- How does the state grantee collect data on MSFWs? How does the grantee ensure the validity of this data as directed by ETA? Does the SMA prepare and submit an annual summary of services to MSFWs to the Regional Administrator? See 20 CFR 653.109 (a) and (b) and 20 CFR 653.108(f)

Supplemental Guidance for Formula Grants – Local

Review individual NFJP participant files for assurances of participant eligibility.

If available, review the local WIA-WP Plan as it relates to services to MSFWs

If possible, speak with MSFW groups, faith based organizations and any other group actively involved in the NFJP program.

- What is the geographic coverage of this office and any sub-offices? What is the role of agriculture in the local economy/labor market? When does agricultural activity, including food processing activity, begin and end in this area? By crop?
- How, where and by whom is outreach conducted?
- How many MSFWs are currently estimated to be in the service area? How many MSFWs have

received services from the one-stop center in the past year?

- Who represents MSFW services needs on the LWIB? Who represents agricultural employer interests to the LWIB?
- What efforts have been made by the LWIB member(s) to address the employment and training service needs of MSFWs? The needs of agricultural employers?
- What kind of services are MSFWs typically receiving at the one-stop center?
- What steps have been taken by the one-stop center operator to provide user friendly service information in the appropriate language for MSFW customers?
- How does the local board ensure that the one-stop center is meeting the Federal and state requirements for services to MSFWs? To what extent have one-stop center staff been trained on the Federal requirements on service to MSFWs? 20 CFR 658.601 (a)(1)(iv) and (v)
- How does it ensure that MSFWs are receiving high quality services?

Sources and Notes:

Indicator 4.7.3 (C)
<input type="checkbox"/> The state grantee effectively uses WIA Incentive grants to achieve its strategic goals.
<p><u>Supplemental Guidance for Formula Grants – State</u> <i>Interview state grantee staff responsible for WIA Incentive grants.</i></p> <p><i>Review written policies and other information regarding the use of WIA Incentive grants. Refer to WIA §134(a)(2)(B)(iii) and 20 CFR 666 Subpart D.</i></p> <p><i>Review should be performed in conjunction with relevant aspects of Indicator 4.4.5.</i></p> <ul style="list-style-type: none"> ▪ Are WIA Incentive grant funds being used as described in the plan? ▪ What is the state grantee’s plan and process for selecting recipients of incentive grant funds? ▪ How are WIA Incentive grant funds being used to increase the quality of services being provided in the one-stop delivery system? ▪ In what specific ways are WIA Incentive grant funds being used to enhance performance outcomes, increase the effectiveness of formula grant programs, and achieve the state grantee’s goals?

- How is the state grantee using WIA Incentive grant funds as part of its strategy to integrate services in the one-stop delivery system?
- Review the state grantee’s overall strategy for the use of WIA Incentive grants.
 - What criteria or measures has the state grantee established to evaluate how effectively it is using incentive grant funds?
 - What progress is the state grantee making to implement its strategies?

Supplemental Guidance for Formula Grants – Local

If the local area is a subrecipient of state incentive grant funds, review the subgrant agreement and interview staff responsible for this grant’s activities.

- Are WIA Incentive grant funds being used as described in the plan?
- How are WIA Incentive grant funds being used to increase the quality of services being provided in the one-stop delivery system?
- In what specific ways are WIA Incentive grant funds being used to enhance performance outcomes and to achieve the local grantee’s goals?
- How is the local grantee using WIA Incentive grant funds as part of its strategy to integrate services in the one-stop delivery system?

Sources and Notes:

<p>OBJECTIVE 4.8 Workforce Information: The state grantee effectively manages its Workforce Information Grant(s) to provide dynamic, useful, up-to-date workforce information to businesses and job seekers. [WIA §309; Wagner-Peyser Act §§7 and 15.] (New For Formula)</p>	<p>Tools Directory:</p> <ul style="list-style-type: none"> ▪ Most recent Workforce Information Annual Progress Report ▪ Recent On-site Workforce Information Grant Review Reports
<p>Summary of Indicators</p> <p><input type="checkbox"/> 4.8.1 Staff in the state grantee’s LMI office produce and maintain relevant workforce information using Federally-prescribed methodologies, tools and guidelines. C</p> <p><input type="checkbox"/> 4.8.2 The state grantee’s LMI office disseminates workforce information using a variety of communication strategies to ensure that the information is easily accessible and understandable. C</p> <p><input type="checkbox"/> 4.8.3 The workforce information produced by the state grantee’s LMI office benefits all customers and stakeholders. C</p> <p><input type="checkbox"/> 4.8.4 The state’s LMI office uses collaborative partnerships to successfully leverage matching contributions from state, local or private funding sources. C</p>	

<p>Indicator 4.8.1 (C)</p>
<p><input type="checkbox"/> Staff in the state grantee’s LMI office produce and maintain relevant workforce information using Federally-prescribed methodologies, tools and guidelines.</p>
<p>Supplemental Guidance for Formula Grants – State</p> <ul style="list-style-type: none"> ▪ Who staffs the state grantee’s LMI office? ▪ How does the staff stay informed and up-to-date in terms of workforce information tools and products? ▪ What version of the workforce information database does the state maintain? Is it the most current version? ▪ Are the state grantee’s practices in accordance with the guidelines issued by the Analyst Resource Center (ARC)? ▪ How does the grantee ensure that the core data elements are populated and up-to-date for state and local data? ▪ For which sub-state geographies have projections been produced? ▪ Are staff members using the methodology, software tools and guidelines developed by the Projections Workgroup and the Projections Managing Partnership? ▪ Which training sessions sponsored by the Projections Managing Partnership have staff attended?

- What external information source(s) is the LMI office using to create the annual economic analysis report? Does the analysis include pertinent data and analyses of local and regional economies?
- What other types of special studies has the LMI office engaged in? What workforce development initiatives have such studies supported?
- What kind of localized information does the LMI office generate? To what level of ‘localization’ can the state grantee’s LMI office produce data? What kind of data can be produced at this level?
- Do they utilize local or regional labor market analysts?

Sources and Notes:

Indicator 4.8.2 (C)

- The state grantee’s LMI office disseminates workforce information using a variety of communication strategies to ensure that the information is easily accessible and understandable.

Supplemental Guidance for Formula Grants – State

Interview LMI office staff.

Where possible and appropriate, visit a local one-stop center in the state and review the availability of workforce information in the resource room, as well as staff’s knowledge and comfort level with using LMI to assist job-seekers.

Review the LMI office web site(s).

See Wagner Peyser Act §7(a)(3)(D), 7(d) and 15; WIA § 309; ETA Planning Guidance; and 20 CFR 225. The same or similar questions are in Objective 4.6.2. It is not necessary to answer them in both places. TEGl 30-08, Application Instructions for PY 2009 Workforce Information Grants is the most current planning guidance at the time of the issuance of this guide. Use updated guidance if available.

- How is workforce information incorporated in the state’s one-stop system?
- What type of information is available through the state grantee's workforce information system?
- In what formats (including accessible formats for persons with disabilities) is workforce information made available to job seeker and business customers?
- How frequently is workforce information updated and disseminated?
- What, if any, new workforce information products has the state grantee developed based on expressed customer needs?
- How does the LMI office assess the value of its products and services to key stakeholders within the state – e.g., policy makers, economic and workforce developers, state and LWIBs?
- Does the state grantee’s LMI office engage in specific outreach activities to businesses in the state? If so, please describe these activities.

- Does the state grantee’s LMI office engage in outreach to the state’s Job Corps Centers, for the purpose of providing them with up-to-date state and local workforce information? Is this workforce information used to drive the training curricula at the centers?
- What types of training has the state LMI office provided, and who were the recipients of the training?
- What types of workforce information are available on-line through the state's workforce information website(s)?
- Are all hard copy publications also available electronically?
- Have LMI office staff surveyed customers as to their preference for hard copy versus electronic publications?

Is there tracking software in place to collect information about traffic on the state's workforce information web site(s)? If so, what information can be obtained? Do workforce information staff review the traffic data on a regular basis and factor it into their site improvement/enhancement efforts?

Supplemental Guidance for Formula Grants – Local

Interview resource room staff.

Review and assess workforce information materials and tools in the center’s resource room

- Does the resource room staff feel that they have the most up-to-date workforce information products and services? Do they feel that the products/tools are available in sufficient formats for all customers to be able to access (including access by person with disabilities) and understand?
- To what extent are resource room staff proficient at providing the most current workforce information to job-seekers? What, if any, training has the state grantee conducted/arranged for resource room staff?
- How do resource room staff provide the most current CareerOneStop and O*NET information and services to job-seekers?
- What workforce information, particularly in the area of high-growth industries/occupations, is used by one-stop center staff to guide job seekers into appropriate skills training programs?

Sources and Notes:

Indicator 4.8.3 (C)

- The workforce information produced by the state grantee’s LMI office benefits all customers and stakeholders.

Supplemental Guidance for Formula Grants – State***Interview LMI office staff.***

- What approaches or methodologies does the state grantee’s LMI office use to consult customers and stakeholders about the benefits of information disseminated through the statewide workforce information system?
- What were the results of the state grantee’s most recent efforts to consult with customers? What kind of feedback did the state receive?
- Does the state grantee have a way to continuously improve its workforce information based on feedback from customers?
- What evidence is there to demonstrate that customers and stakeholders use the economic studies and analyses produced by the LMI office?
- How has the state grantee’s LMI office been responsive in situations of major layoffs or disasters?

Supplemental Guidance for Formula Grants – Local***Interview resource room staff and/or any other staff that works with workforce information.***

- Has the state grantee surveyed the local grantee staff (i.e., resource room staff) about the effectiveness of its workforce information products? When? How? What were the results?
- How does the local grantee staff rate the value and effectiveness of the state’s workforce information tools and products?
- Has the local grantee surveyed its customers of workforce information? What were the results?

Sources and Notes:

Indicator 4.8.4 (C)

- The state's LMI office uses collaborative partnerships to successfully leverage matching contributions from state, local or private funding sources.

Supplemental Guidance for Formula Grants – State***Interview LMI office staff.***

- What, if any, strategic partnerships has the state grantee's LMI office engaged in, i.e., with economic development agencies, education and training institutions, business groups, industry associations, and/or other public and private producers and distributors of workforce information? What did the collaborations entail, and what products were produced?
- What percentage of the total budget for the workforce information does the state's Core Products and Services grant represent?

Sources and Notes:

CORE ACTIVITY 5

PERFORMANCE ACCOUNTABILITY

Core Activity 5 refers to the grantee's accountability for performance as reflected by assessment in four areas: meeting service level and expenditure goals, meeting performance outcome goals, managing subrecipient and contractor performance, and using performance data for continuous performance improvement.

CORE ACTIVITY 5 GENERAL INSTRUCTIONS

The purpose of the Core Activity 5 monitoring component is to determine whether the grantee is meeting its operating goals, such as planned service level and expenditure targets, and whether it is meeting its performance outcome goals, as well as to evaluate the grantee's system for managing performance. During this section of the monitoring, you will focus specifically on the grantee's progress to date in meeting its goals, its capacity to comply with generally accepted standards of accountability for its own activities and those of its program agents, and the grantee's use of performance data to evaluate and improve the quality of services and products delivered.

To prepare for this section of the monitoring, review the grant operated by the grantee and those of its subrecipients and contractors (if any), become knowledgeable of the grant goals and objectives, review grantee reports on services provided and performance results achieved, and compare actual results against planned levels of performance.

Summary of Findings for Core Activity 5	
Promising Practices	
Findings or High-Risk Factors	
Other Observations	

<p>OBJECTIVE 5.1 Service Goals: Grantee is on schedule to achieve its service level (or product) goals and fully utilize available funds [WIA §134; 20 CFR 667.150; 29 CFR 95.21; 29 CFR 97.20; SOW].</p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 5.1.1 An implementation plan identifies project goals, activity levels, spending targets, and timeframes that are directly linked to achieving grant goals. E</p> <p><input type="checkbox"/> 5.1.2 Grant spending is occurring at a rate consistent with the amounts budgeted through the most recent quarter being reviewed. C</p> <p><input type="checkbox"/> 5.1.3 The grant is currently meeting service level (or product) goals proposed in the grant agreement. C</p> <p><input type="checkbox"/> 5.1.4 The grantee is projected to meet all service level (or product) goals and fully utilize all grant funds by the end of the grant period. C</p>	

<p>Indicator 5.1.1 (E)</p>
<p><input type="checkbox"/> An implementation plan identifies project goals, activity levels, spending targets, and timeframes that are directly linked to achieving grant goals.</p>
<p><u>Core Grant Guidance</u> <i>Review a copy of the grantee’s implementation plan. Compare it to the grant SOW.</i></p> <p><i>Interview staff responsible for administering the program of services.</i></p> <ul style="list-style-type: none"> ▪ What kind of an implementation plan does the grantee use to guide its work? Does the plan directly link project activities to project goals and include appropriate timeframes, staff assignments and levels of effort for each major project activity? How is the implementation plan used as a tool to measure planned versus actual activity as a means of tracking the progress toward goal achievement? ▪ For a grant providing services to participants, has staff received a written formal process (e.g., a flow chart or other method) that illustrates the movement of program participants through service components that are directly related to project goals? Is the sequence of services logical? ▪ For a grant producing a product or providing an indirect service (such as research or capacity building), is there a plan (e.g., task plan or grant chart) of sequential activities in place that illustrates how activities are timed and coordinated to promote continuous progress toward project goals? <p><u>Sources and Notes:</u></p>

Indicator 5.1.2 (C)

- Grant spending is occurring at a rate consistent with the amounts budgeted through the most recent quarter being reviewed.

Core Grant Guidance

Compare actual expenditures at the end of the most recent quarter with the level of expenditures forecast in the budget for the same period. Also include any findings or observations that result from these calculations or are related to budget requirements in Objective 3.1 (Budget Controls) as the comparisons are a compliance requirement for the grantee.

- Compute the variance from plan as follows: actual expenditures divided by planned expenditures, convert to a percentage and deduct 100 percent. For example: $\$120,000/\$160,000 = .75$ (75 percent) - 100 percent = -25 percent variance. Are actual expenditures within +/-15 percent of planned levels through the most recent quarter?
- If the grant does not have quarterly expenditure goals, compute the percentage of the grant period that has elapsed (e.g., 12 months of the 24-month grant period have elapsed, yielding a completion rate of 50 percent), and compare that percentage with the percentage of total planned expenditures achieved to date (e.g., 60 percent of total funds have been spent to date, divided by 50 percent of grant period that has elapsed: $60 \text{ percent}/50 \text{ percent} = 1.2$ (120 percent) - 100 percent = +20 percent variance).
- If the grant has an administrative cost limit or other cost minimums or maximums, project whether the current rate of spending will keep the grantee within those cost limits. Note any exceptions.
- If the grant has a line item budget, compare actual expenditures for each line item with the budgeted levels to determine if there are significant variances occurring. If any variance is currently or projected to be greater than +/-20 percent, determine whether a budget modification is necessary or advisable. For the personnel and fringe benefit line items, all variances that exceed the budget amount require a modification.
- If actual expenditures are significantly higher or lower than projected levels for this period, what are the causes for each variance from plan?

Supplemental Guidance for Formula Grants – State

- What is the current level of spending for statewide youth programs and/or statewide employment and training activities? Does it appear that this level will result in administrative costs that are within the 5 percent limit? § 134(a)(3)(B)(i)
- Are current levels of spending indicating that 30 percent or more of youth funds are spent on out-of-school youth? § 129(c)(4)(A). Also see indicator 3.9.1.
- If there are under or over-expenditure issues, how is the state grantee resolving the issues?

Sources and Notes:

Indicator 5.1.3 (C)

The grant is currently meeting the service (or product) goals proposed in the grant agreement.

Core Grant Guidance

Examine the most recently available enrollment reports and compare the number of participants currently being served to the number of enrollments planned for this period in the grant's implementation plan. Perform the same analysis of other service goals that are identified in the grant. If the grant is producing a product rather than providing services to individuals, compare work completed to date with the product goals identified in the grant's implementation plan.

- Compute the variance from plan as follows: actual service level divided by planned service level, convert to a percentage and deduct 100 percent (e.g., $120/160 = .75$ (75 percent) - 100 percent = -25 percent variance).
- Are actual enrollments within +/-15 percent of planned service levels through the most recent quarter?
- If the grant only has grant-ending goals, compute the percentage of the grant period that has elapsed (e.g., 12 months of the 24-month grant period have elapsed yielding a completion rate of 50 percent), and compare that percentage with the percentage of total planned service levels achieved to date (e.g., 60 percent of total planned enrollments have been achieved to date, divided by 50 percent of grant period that has elapsed: $60 \text{ percent} / 50 \text{ percent} = 1.2$ (120 percent) - 100 percent = +20 percent variance).
- If achievement of service goals varies significantly from projected levels, what are the causes for such variances?
- If the grant is designed to produce a product rather than serve participants, ask similar questions in order to compare the amount of work completed to date with the product goals identified in the grant's implementation plan.

Sources and Notes

Indicator 5.1.4 (C)

- The grantee is projected to meet all service level (or product) goals and fully utilize all grant funds by the end of the grant period.

Core Grant Guidance

Using the information already gathered on current enrollment, other service goals, and expenditure rates, make a projection of whether the grantee's service goals will be met and all available funds will be spent by the end of the grant period. If you and/or the grantee project that significant variances from the plan will remain by grant-end, determine what course of corrective action is needed to remedy the problems you have identified.

- What does the rate of enrollment look like? What is the grantee's best estimate of the likely full-enrollment level?
- If current enrollments are significantly higher or lower than planned, does this imply that total enrollments will also be significantly higher/lower than planned at grant-end? If so, what are the budget implications of this? Does the grantee need to modify its implementation plan and/or budget due to any large variances from plan?
- Ask similar questions for other service or product goals.
- What is the expenditure rate? Does it appear that the grant funds will be fully utilized?
- If there are significant variances in expenditure patterns, what is the effect on the attainment of performance goals or service levels?

Supplemental Guidance for Formula Grants – State

Obtain and review the state plan and relevant Financial Status Report(s). Identify the state grantee's plan for spending formula grant funds and attaining planned service level targets.

- Has the state grantee obligated its required level of at least 80 percent of the funds allotted for WIA programs serving youth, adults and dislocated workers for the prior year? 20 CFR 667.150(b).
- If the state grantee has received a reallocation of WIA youth, adult and dislocated worker funds, has the grantee obligated at least 80 percent of the prior program year's allotment, less any amount reserved for the costs of administration of youth, adult or dislocated worker funds? 20 CFR 667.150(c).
- What procedures does the state grantee use to reallocate youth, adult and dislocated worker funds among local areas? Is any reallocation being performed in accordance with WIA requirements? §§128(c) and 133(c).
- Is the grantee on course to spend its available funds for statewide activities and rapid response by the end of each year in the grant period, using 70 percent as a target expenditure level?
- What is the state grantee's process to ensure that statewide (15 percent) funds are fully allocated, expended and reported?
- Is the grant on course to spend the funds allocated to local areas by the end of each year in the grant period, using 70 percent as a target expenditure level?
- Are Wagner-Peyser base grants and reimbursable grant funds being expended in a timely manner?
- How close is the state grantee to meeting its service level goals? If the state grantee is not on course to meet its service goals, what are the causes and how does the state grantee's plan to address them?
- What proportion of local areas have obligated at least 80 percent of the prior program year's allocation for WIA programs serving youth, adults and dislocated workers, less any amounts reserved (up to 10 percent) for the costs of administration? What proportion has not and why?
- What proportion of local areas is on course to spend their available funds by the end of each year in the grant period, using 70 percent as a target expenditure level? What proportion is not and why?

Supplemental Guidance for Formula Grants – Local

Obtain and review local WIA-WP Plan and reports submitted to the state grantee. Identify the schedule on which local areas plan to spend formula grant funds and to attain service level targets

- If there are significant variances in expenditure levels, how will this affect the attainment of performance goals or service levels?
- To what extent do enrollment rates at the local level indicate that the local area will reach full enrollment?
- If current enrollments are significantly higher or lower than planned, what are the implications for total enrollments at grant-end?
- If current enrollments are significantly higher or lower than planned, does this imply that total enrollments will also be significantly higher or lower than planned at grant-end?

Sources and Notes:

<p>OBJECTIVE 5.2 Performance Outcomes: Grantee is on schedule to meet or exceed the performance outcomes that are identified in the grant agreement. [WIA §136; 20 CFR Part 653; 20 CFR Part 666]</p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 5.2.1 The grant is currently meeting or exceeding the performance outcomes that are identified in the grant agreement. E</p> <p><input type="checkbox"/> 5.2.2 The grantee is projected to meet all performance goals by the end of the grant period. E</p> <p><input type="checkbox"/> 5.2.3 The state grantee has an effective performance accountability system in place that complies with the requirements of WIA and the Wagner-Peyser Act. C (New for Formula)</p>	
<p style="text-align: center;">Indicator 5.2.1 (E)</p>	
<p><input type="checkbox"/> The grant is currently meeting or exceeding the performance outcomes that are identified in the grant agreement.</p>	
<p>Core Grant Guidance</p> <p><i>Performance outcomes are the end results that the grant is expected to accomplish. These could include the number or percentage of persons placed into jobs, the amount or percentage of earnings gained as a result of participation in the program, the number or percentage of persons who retained their jobs for an extended period of time, the number or percentage of persons receiving a credential or diploma as a result of training, etc. Examine the grantee’s most recently available performance reports and compare actual performance with planned performance from the beginning of the grant period through the most recent quarter for each type of performance outcome identified in the grant.</i></p> <ul style="list-style-type: none"> ▪ Compute the variance of actual performance from plan as follows: actual performance results divided by planned results, convert to percentage, and deduct 100 percent (e.g., $120/160 = .75$ (75 percent) - 100 percent = -25 percent variance). Do actual performance results meet or exceed 85 percent of the planned outcomes through the most recent quarter (e.g., the variance from plan is -15 percent or better)? ▪ If the grant has only grant-end numerical goals, compute the percentage of the grant period that has elapsed (e.g., 12 months of the 24-month grant period have elapsed, yielding a completion rate of 50 percent), and compare that percentage with the percentage of total planned performance outcomes achieved to date (e.g., 60 percent of total planned outcomes have been achieved to date, divided by 50 percent of grant period that has elapsed: $60\text{ percent}/50\text{ percent} = 1.2$ (120 percent) - 100 percent = +20 percent variance). ▪ If actual performance is significantly higher or lower than planned levels for this period, what are the causes for each significant variance from plan? <p>Sources and Notes:</p>	

Indicator 5.2.2 (E)

The grantee is projected to meet all performance goals by the end of the grant period.

Core Grant Guidance

Using the information already gathered on current performance results, make a projection whether the grantee will achieve at least 85 percent of each performance goal by the end of the grant period. If you and/or the grantee project that significant variance from plan will remain by grant-end, determine what course of corrective action is needed to remedy the problems you have identified.

- What do the performance trends look like? Is performance improving, staying about the same, or worsening over time?
- What is the grantee's best estimate of the final performance levels that will be achieved by grant-end? Does this estimate seem realistic given the trends to date?
- If actual performance is 85 percent or less of planned levels, which factors seem to be having the most negative impact on performance outcomes (e.g., staff, program design, operational problems, etc.)?
- Has the grantee taken any action to correct the problems contributing to low performance? Have those actions been effective in improving results?
- What other actions are needed to improve performance?
- Does the grantee need to modify its implementation plan and/or budget due to any large variances from plan?

Supplemental Guidance for Formula Grants – State

Identify and review the performance levels negotiated with the state grantee for performance goals for WIA and other formula grant programs.

Obtain and review Program Status Summary reports (ETA Form 9095), 5148 reports for NFJP programs and any other specialized reports.

- To what extent is the state grantee on course to meet or exceed negotiated or established performance goals for each of the following formula grants?
 - The formula grant provided under WIA
 - The Wagner-Peyser base grant
 - The NFJP grant
- To what extent is the state grantee meeting its performance goals for reemployment and worker profiling services?
- To what extent is the state grantee meeting performance goals for veterans?
- If performance to date indicates there may be potential performance problems on any of these grants, why are there potential performance problems and what corrective steps are being taken by the state grantee?

Sources and Notes:

Indicator 5.2.3 (C)

- The state grantee has an effective performance accountability system in place that complies with the requirements of WIA and the Wagner-Peyser Act. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Consult TEGE 17-05: Common Measures Policy for the ETA Performance Accountability System and Related Performance Issues, the Wagner-Peyser Review Guide, and ETA Guidance on Negotiating WIA Title 1B Performance Goals.

Review 20 CFR 653.107 for outreach requirements for NFJP programs.

Examine criteria used by state grantee for determining exemplary performance at the local level.

- What systems does the state grantee use to measure on-going progress towards meeting:
 - The 12 core performance measures for adults, dislocated workers and older youth served under WIA?
 - The three Adult Common Measures for adults and dislocated workers?
 - The three performance measures for younger youth served under WIA?
 - The three Youth Common Measures for younger youth served under WIA?
 - The two core performance measures for the satisfaction of customers served under WIA?
 - The three common performance measures for programs serving adults required under Wagner-Peyser, including information for individuals receiving services through the Internet or other remote means?
- To what extent are the state grantee's systems for measuring performance consistent with the way it is described in the WIA-WP plan?
- How does the state grantee measure customer satisfaction for local workforce investment areas (e.g., the American Customer Satisfaction Index methodology)?
- How does the state grantee ensure that local level customer satisfaction information is collected uniformly throughout the state?
- What is the state grantee's approach to ensure that employers are surveyed only once during the course of the program year to measure employer satisfaction?
- What is the state grantee's policies regarding exit surveys of job seekers and employers under the Wagner-Peyser program?
- How has the state grantee's system of performance accountability incorporated the definitional changes to WIA core measures that are a result of the common performance measures?
- What systems does the state grantee use to measure performance for all formula grants it receives? (e.g., NFJP, Veterans Employment Training Service (VETS))
- How does the state grantee's system ensure that a semi-annual system-wide assessment is made of individuals with disabilities who are served under Wagner-Peyser and WIA, to identify individuals who have entered employment, who have retained employment, and to identify their average wage gain?
- What system does the state grantee use to perform similar assessments of locally-provided services to other special populations including veterans, MSFWs, military spouses, LEP, and older workers?

- Does the state grantee’s performance accountability system for local level programs:
 - establish performance indicators in addition to those required?
 - negotiate local levels of performance for programs other than WIA?
 - provide technical assistance to local areas failing to meet negotiated levels of performance?
 - apply sanctions for a local area’s repeated failure to meet negotiated levels of performance?
 - award incentive grants to local areas for exemplary performance?
- Does the state grantee have procedures to ensure that local levels of performance reflect economic, demographic and other characteristics of the populations to be served in the local area?

Supplemental Guidance for Formula Grants – Local

Review local area incentive awards, technical assistance requests and sanctions.

Reviewer may want a demonstration of how data is reported at the local level.

Obtain and review local area performance reports submitted to the state grantee.

- What proportion of local areas are meeting or exceeding the levels of performance negotiated with the state grantee? What proportion of local areas is not and why is this? What actions are being taken locally to address underperformance??
- To what extent has performance improved for local areas that received technical assistance in the most recent five year period?
- How have local areas used incentive grants to improve services?
- How have sanctions imposed on local areas worked to improve services and performance outcomes?

Sources and Notes:

<p>OBJECTIVE 5.3 Subrecipient Performance: The grantee holds subrecipients and contractors accountable for achieving their performance goals.</p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 5.3.1 Subrecipient and contract agreements contain clear, specific, and measurable performance goals. E</p> <p><input type="checkbox"/> 5.3.2 Grantee holds subrecipients accountable for actual versus planned accomplishments related to performance goals. E</p>	
<p>Indicator 5.3.1 (E)</p>	
<p><input type="checkbox"/> Subrecipient and contract agreements contain clear, specific, and measurable performance goals.</p>	
<p><u>Core Grant Guidance</u> <i>If the grantee has entered into subrecipient and/or contracts with outside organizations to perform some of the grant work, determine whether those agreements contain clear, specific, and measurable performance goals that can be tracked and evaluated during the period of the agreements.</i></p> <ul style="list-style-type: none"> ▪ Review a sample of subrecipients and contracts and interview grantee staff responsible for the performance of these service providers. ▪ Do these agreements contain specific and measurable performance goals that are quantified? ▪ Do these goals measure all of the primary activities and end-results to be accomplished consistent with the SOW? If not, how does the grantee hold them accountable for these other activities? ▪ Are the performance goals broken out into shorter increments of time, such as quarterly? If not, how does the grantee measure performance during the course of the agreement? ▪ Do the agreements contain any provisions requiring corrective action when performance goals are not being met? If not, how does the grantee enforce the performance terms of the agreement? <p><u>Supplemental Guidance for Formula Grants - State</u></p> <ul style="list-style-type: none"> ▪ Do local grant agreements contain any performance indicators other than those prescribed by WIA? §136(c)(1) ▪ Are performance expectations for labor exchange programs clearly defined and adequately explained to divisions/districts and local offices? <p><u>Sources and Notes:</u></p>	

Indicator 5.3.2 (E)

- Grantee holds subrecipients accountable for actual versus planned accomplishments related to performance goals.

Core Grant Guidance

If the grantee has contracted with subrecipients or contractors to perform some of the grant work, determine how the grantee reviews their reports, monitors their performance, and follows up on performance problems.

- Do the reports reflect the progress of subrecipients toward fulfilling goals and objectives outlined by the grantee?
- Is a procedure in place for the grantee to evaluate the reports?
- If so, has the procedure been followed?
- Are procedures in place to address reports that indicate performance below requirements?
- Do these procedures lead to a determination of causes for poor performance?
- Who initiates action when the reports suggest that corrective measures or technical assistance are required?

Supplemental Guidance for Formula Grants - State

- Does the state grantee conduct onsite reviews of local offices that show continuing internal problems or deficiencies in performance? If so, how many reviews have been conducted in the past year? What actions have been taken to follow up on review findings?

Sources and Notes:

OBJECTIVE 5.4 Performance Data: Grantee uses performance data to improve project implementation.	Tools Directory:
<p>Summary of Indicators</p> <p><input type="checkbox"/> 5.4.1 Grantee uses relevant and objective data to assess the quality of service/product delivery. E</p> <p><input type="checkbox"/> 5.4.2 Findings from the periodic reviews are communicated back to relevant staff and subrecipients to inform them of probable causes of high or low performance. E</p> <p><input type="checkbox"/> 5.4.3 Grantee uses information from these regular reviews to make adjustments to program operations. E</p> <p><input type="checkbox"/> 5.4.4 Grantee provides technical assistance to program operators (staff and subrecipients) when findings from review of performance-related data indicate that performance is below plan. E</p> <p><input type="checkbox"/> 5.4.5 Performance information, presented in a user-friendly format, is provided to oversight boards, other relevant stakeholders, and to the general public to guide decision-making. E</p> <p><input type="checkbox"/> 5.4.6 State grantee has a system in place to reward exemplary performance at the local level. E (New for Formula)</p>	
Indicator 5.4.1 (E)	
<p><input type="checkbox"/> Grantee uses relevant and objective data to assess the quality of service/product delivery.</p>	
<p><u>Core Grant Guidance</u></p> <p><i>If a formal analysis process is in place, request and review a written description of the steps followed in the process and copies of analyses for the period being examined. If no written process, summarize the standard operating procedure (SOP). Request and review copies of information used to create data for quality assessment.</i></p> <ul style="list-style-type: none"> ▪ Does the process as described identify logical links between SOW activities and the measures of program performance? ▪ How are “high” and “low” defined? ▪ Do they follow the formal analysis process or a Standard Operating Procedure? Look for consistency in the review process. ▪ When high or low performance is identified, what actions are undertaken to discover the causes? ▪ Are project managers consulted about high or low performance and the causes that produced them? ▪ Is the information provided quantifiable or easily reduced to data for comparative purposes? ▪ Are all staff, subrecipients, and contractors working on similar projects held to similar standards and required to undergo similar assessment? ▪ Do the data generated allow the grantee to make an objective assessment of the quality and effectiveness of methods used to provide services and products? 	

Supplemental Guidance for Formula Grants – State

- Does the state grantee regularly produce internal reports to provide feedback to staff and units having a relationship to the grant?
- Do all staff that would benefit from performance data related to the grant regularly receive such data in a timely manner?
- Is the data presented in different formats, based on the needs and knowledge level of each different type of user? Do users have the capability of creating their own ad-hoc reports?
- Are there restrictions or policies limiting access to data on the quality of service under Wagner-Peyser? (e.g., Director only, unit managers only?)

Sources and Notes:**Indicator 5.4.2 (E)**

- Findings from the periodic reviews are communicated back to relevant staff and subrecipients to inform them of probable causes of high or low performance.

Core Grant Guidance

Request and review copies of formal procedures for notification of relevant staff and subrecipients about possible causes of high or low performance. Additionally, request and review examples of written notification.

- Do any existing formal procedures apply to notification of high or low performance and its suspected causes?
- Are relevant staff and subrecipients consulted in a timely fashion when they report high or low performance results?
- How are they notified?
- As part of the notification, are suggestions made about the probable causes for unexpected performance?
- When unexpected performance levels occur, are they asked what they believe the causes are?

Sources and Notes:

Indicator 5.4.3 (E)

- | |
|---|
| <input type="checkbox"/> Grantee uses information from these regular reviews to make adjustments to program operations. |
|---|

Core Grant Guidance

Request and review copies of communication regarding low or high performance results. Interview staff responsible for taking action on low or high performance results.

- Do the communications indicate that goals and/or objectives for the next reporting period were altered?
- Do the communications indicate that staffing patterns were altered?
- Do the communications indicate that the allocation of other resources was altered?
- Did the responsible staff alter goals and objectives for the next reporting period?

Supplemental Guidance for Formula Grants - State

- Describe how information on levels of performance helps the state grantee achieve continuous improvement of program operations. For information purposes, see WIA §§112(b)(3); 136(a); 136(b)(3) and 212 (a).
- What data are being collected by the state grantee from the one-stop system, and how are the data used for continuous improvement of program planning and program operations?
- Does the state grantee routinely obtain and use actual information on placement activity to improve job search and job placement results, including (a) information on training –related placements and (b) information on the rate of placement into high-growth jobs?

Supplemental Guidance for Formula Grants - Local

- How do local boards and one-stop operators use performance data to identify trends or patterns in the data that should be addressed, and are they pro-active in addressing these trends or patterns? Have any reports been prepared? Ask for copy.
- What additional real-time performance measures have local boards developed for or negotiated with service providers?

Sources and Notes:

Indicator 5.4.4 (E)

- Grantee provides technical assistance to program operators (staff and subrecipients) when findings from review of performance-related data indicate that performance is below plan.

Core Grant Guidance

Review performance data for performance that is below plan. Contact program managers whose performance is below plan.

- Was technical assistance offered to them?
- Was technical assistance accepted?
- Were the recommended changes provided through the technical assistance implemented?
- Did the technical assistance result in subsequent performance improvement?

Supplemental Guidance for Formula Grants - State

- How does the state grantee routinely analyze WIA performance in each local area? How does it address poor performance?
- How does the state grantee provide for technical assistance in response to poor local area performance for a program year?
- What types of corrective actions are taken or sanctions imposed by the state grantee after two consecutive years of poor local area performance?
- Does the state grantee work with local areas to monitor implementation of improvement strategies?

Sources and Notes:**Indicator 5.4.5 (E)**

- Performance information, presented in a user-friendly format, is provided to oversight boards, other relevant stakeholders, and to the general public to guide decision-making.

Core Grant Guidance

Review copies of reports made to oversight boards and other interested groups such as local and state government offices. Review the distribution list for each report.

- Are the reports constructed in an easy-to-read, direct manner?
- Does the distribution list appear to represent most of the interested parties?
- Are copies of the report available to the general public upon request?
- Was the information in the report presented in an understandable way?

Sources and Notes:

Indicator 5.4.6 (E)

- State grantee has a system in place to reward exemplary performance at the local level. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Consult Wagner-Peyser Statewide Plan Review Guide.

- Has the governor reserved a portion of its allotment under the Wagner-Peyser Act to provide performance incentives for public employment service offices or programs, including one-stop centers? If so, what is the plan for selecting recipients of Wagner-Peyser performance incentive awards and how are the amounts of performance incentives determined?
- Does the state grantee provide incentive grants for local areas' exemplary performance on the WIA performance measures? If so, what is the plan for selecting recipients of WIA incentive grants and how are the amounts of performance incentives determined?

Sources and Notes:

<p>OBJECTIVE 5.5 Common Performance and Evaluative Data: State grantee uses common performance data and quality assessment to change program design and improve the quality of services provided by a unified workforce investment system. (New for Formula)</p>	<p>Tools Directory:</p>
<p style="text-align: center;">Summary of Indicators</p> <p><input type="checkbox"/> 5.5.1 The state grantee has a performance accountability system for a unified workforce system, with common measures at its core. E</p> <p><input type="checkbox"/> 5.5.2 The state grantee supplements common measures information with broader information sources in assessing service quality, effectiveness. E</p> <p><input type="checkbox"/> 5.5.3 Findings from the qualitative assessment are used to improve the performance of the unified workforce system, and to encourage program innovation. E</p> <p><input type="checkbox"/> 5.5.4 System-wide performance information is included as part of the performance information provided to oversight boards, other relevant stakeholders and the general public. E</p>	

<p>Indicator 5.5.1 (E)</p>
<p><input type="checkbox"/> The state grantee has a performance accountability system for a unified workforce system, with common measures at its core. (New for Formula)</p>
<p>Supplemental Guidance for Formula Grants – State <i>Consult TEGL 17-05: Common Measures Policy for the ETA Performance Accountability System and Related Performance Issues.</i></p> <p><i>Consult TEGL 27-04: Negotiating WIA Title IB Performance Goals for PY 2005 and 2006.</i></p> <ul style="list-style-type: none"> ▪ Does the state grantee have a system to capture information on all common performance measures? ▪ Is the state grantee’s reporting system designed to report on those participants receiving self-services and informational activities, as well as measure performance for other WIA participants? ▪ If state laws allow, how are UI wage records and Wage Record Interchange System (WRIS) used for tracking wage-related common measures? What additional sources are used to supplement UI wage records? ▪ If state law limits the use of UI wage records, what data sources are used for wage-related common measures? ▪ How does the state grantee track system-wide performance? Does the state grantee use common performance data as well as WIA performance measures? <p>Sources and Notes:</p>

Indicator 5.5.2 (E)

- The state grantee supplements common measures information with broader information sources in assessing service quality, effectiveness. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Interview state grantee staff responsible for evaluating performance and effectiveness for WIA, Wagner-Peyser and the service delivery system overall.

Obtain and review information from the state plan or other sources on the systems the state grantee uses to assess service quality, effectiveness and implementation of its outcome-driven and results-oriented strategies.

- How does the state grantee establish and promote methods for continuous improvement and high quality performance for services to adults, youth and dislocated workers?
- What customer feedback, outcome and process measures in the workforce investment system as described in 20 CFR 665.200 (d) are used to evaluate service quality and effectiveness?
- To what extent does the scope of the state grantee’s evaluations of service quality and effectiveness extend beyond the requirements of WIA and Wagner-Peyser?
- How does the state grantee assess the extent to which local workforce investment systems are aligned with the specific outcome-driven and results-oriented strategies identified in state and local level plans?
- How does the state use performance data to improve service quality, effectiveness and to assure the success of outcome-driven and results-oriented strategies at the local level?
- How are state funds used to provide incentives for youth services system building and effective youth program practices at the local level?

Sources and Notes:

Indicator 5.5.3 (E)

- Findings from the qualitative assessment are used to improve the performance of the unified workforce system, and to encourage program innovation. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Interview state grantee staff responsible for evaluating performance and effectiveness for WIA, Wagner-Peyser and the service delivery system overall.

Review Objectives 1.1, 1.2, 1.3, 1.4 and 1.5 define how the grantee measures success for the results described in this indicator.

- How does the state grantee use performance data, program effectiveness information and survey results for WIA and Wagner-Peyser formula grants to inform and improve statewide planning, monitoring, service design, or service delivery?
- How does the state grantee use results from its assessment of comprehensive services to special populations, including migrant and seasonal farm workers, persons with limited English proficiency, military spouses, older workers and persons with disabilities, to inform and improve statewide planning, monitoring, service design, or service delivery?
- How does the state grantee use performance data and program effectiveness information for state grants (e.g., NFJP) to inform and improve planning, service design or service delivery for those programs?
- How have the results of consultations between the state’s LMI office and its customers been used to improve product and service delivery?
- How are results from the state grantee’s efforts related to each of the following used to inform and improve planning, service design or service delivery:
 - Addressing ETA’s national strategic priorities (e.g. outcome-driven, results-oriented, high-growth, green jobs) for WIA? Achieving the priorities established for youth services and programs, including those youth most-in need?
 - Achieving specific performance goals others than those required under WIA that the state grantee established in the state plan?
 - Targeting high growth/high demand jobs, including the use of ITAs, OJT, customized training and/or technology-based learning to fill gaps and expand training opportunities?
 - Providing business services which businesses perceive as having value and being effective? Supporting and encouraging growth of small businesses?
- Encouraging and promoting high-quality services and effective service delivery in local one-stop systems in accordance with the state plan?
 - Success in improving universal access to the full array of services, including services to special populations and priority groups?
 - Integration of programs in the one-stop delivery system at the state and local levels?
 - Using capacity building and staff training to accelerate service integration?
 - Reducing program overhead and administrative costs through integration and other means?
 - Using the flexibility available through waivers, incentive funds and from other sources to maximize the quality of services being provided?
- What incentive grants does the state grantee award for programs that demonstrate local coordination of workforce activities, including but not limited to programs under WIA, and for exemplary performance on the local performance measures? 20 CFR 666.400.

Sources and Notes:

Indicator 5.5.4 (E)

System-wide performance information is included as part of the performance information provided to oversight boards, other relevant stakeholders and the general public. **(New for Formula)**

Supplemental Guidance for Formula Grants – State

Review reports containing system-wide performance information and identify distribution lists for each of those reports.

- Do reports incorporate the common performance measures for federally-funded training and employment programs?
- What, if any, other effectiveness and qualitative assessments performed at the state or local level do the reports summarize?

Sources and Notes:

CMG APPENDIX A--CROSS REFERENCE OF ADMINISTRATIVE REQUIREMENTS

Requirement	Governmental Organizations	Nonprofit Organizations	Institutions of Higher Education	Commercial Organizations
Audit	29 CFR Part 99	29 CFR Part 99	29 CFR Part 99	29 CFR Part 96
Audit Resolution	29 CFR Part 96	29 CFR Part 96	29 CFR Part 96	29 CFR Part 96
Basic Principles for Allowable Costs	2 CFR Part 225 A-87 Attachment A	2 CFR Part 230 A-122 Attachment A	2 CFR Part 220 A-21 Section C	48 CFR 31.201 through 204
Treatment of Selected Items of Cost	A-87 Attachment B	A-122 Attachment B	A-21 Section J	48 CFR 31.205
Uniform Administrative Requirements	29 CFR Part 97	29 CFR Part 95	29 CFR Part 95	29 CFR Part 95 (grants only)
Lobbying Restrictions	29 CFR Part 93	29 CFR Part 93	29 CFR Part 93	29 CFR Part 93
Suspension and Debarment	29 CFR Part 98 Subparts A-E	29 CFR Part 98 Subparts A-E	29 CFR Part 98 Subparts A-E	29 CFR Part 98 Subparts A-E
Drug-Free Workplace	29 CFR Part 98 Subpart F	29 CFR Part 98 Subpart F	29 CFR Part 98 Subpart F	29 CFR Part 98 Subpart F
Non-Discrimination (Civil Rights)	29 CFR Part 31	29 CFR Part 31	29 CFR Part 31	29 CFR Part 31
Non-Discrimination (Basis of Handicap)	29 CFR Part 32	29 CFR Part 32	29 CFR Part 32	29 CFR Part 32
Age Discrimination of 1975	29 CFR Part 35	29 CFR Part 35	29 CFR Part 35	29 CFR Part 35
EO Requirements (WIA only)	29 CFR Part 37	29 CFR Part 37	29 CFR Part 37	29 CFR Part 37
Title IX – Education Amendments Act of 1972	49 CFR Part 25	49 CFR Part 25	49 CFR Part 25	49 CFR Part 25

Note: Additional requirements may be contained in program regulations related to ETA-funded grant programs.

Electronic versions of the requirements may be downloaded from:

DOL Regulations (29 CFR): http://www.dol.gov/dol/allcfr/Title_29/toc.htm

OMB Circulars: <http://www.whitehouse.gov/omb/circulars/>

CFRs: <http://www.gpoaccess.gov/nara/index.htm>

CMG Appendix B: Selected Definitions and Acronyms

Accrued expenditures. The charges incurred by the grantee during a given period requiring the provision of funds for (1) goods and other tangible property received; (2) services performed by employees, contractors, subgrantees, subcontractors, and other payees; and (3) other amounts becoming owed (by the grantee) under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments. [29 CFR 95.2] [29 CFR 97.3]

Accrued income. Sum of: (1) earnings during a given period from (i) services performed by the recipient, and (ii) goods and other tangible property delivered to purchasers; and (2) amounts becoming owed to the recipient for which no current services or performance is required by the recipient. [29 CFR 95.2] [29 CFR 97.3]

Acquisition cost of equipment. The net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices. [29 CFR 95.2] [29 CFR 97.3]

Advance. A payment made by Treasury check or other appropriate payment mechanism to a recipient upon its request either before outlays are made by the recipient or through the use of predetermined payment schedules. [29 CFR 95.2]

Administrative requirements. Those matters common to grants in general, such as financial management, types and frequency of reports, and retention of records. These are distinguished from *programmatic* requirements, which concern matters that can be treated only on a program-by-program or grant-by-grant basis, such as kinds of activities that can be supported by grants under a particular program. These are the uniform administrative requirements codified at OMB Circular A-102 and A-110. OMB Circular A-102 is also referred to as the common rule. [29 CFR 97.3]

Approval or authorization of the awarding or cognizant Federal agency. Documentation evidencing consent prior to incurring a specific cost. If such costs are specifically identified in a Federal award document, approval of the document constitutes approval of the costs. If the costs are covered by a state/local cost allocation plan or an indirect cost proposal, approval of the plan constitutes the approval. [2 CFR Part 225 (OMB Circular A-87)]

Award. Financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money or property in lieu of money, by the DOL to an eligible recipient. The term does not include technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; or contracts that are required to be entered into and administered under procurement laws and regulations. [29 CFR 95.2]

Calendar Year. The period between January 1 and December 31 of any year. For example, calendar year 2001 is January 1, 2001, through December 31, 2001.

Cash contributions. A recipient's cash outlay, including the outlay of money contributed to the recipient by third parties. [29 CFR 95.2] [29 CFR 97.3]

Catalog of Federal Domestic Assistance (CFDA). An online database of all Federal programs available to state and local governments, Federally-recognized Indian tribal governments, territories and possessions of the United States, domestic public, quasi-public, and private profit and nonprofit organizations and institutions, specialized groups, and individuals.

CFDA Number. The identifying number a Federal program is assigned in the CFDA. [29 CFR 99.105]

Closeout. Process by which the awarding agency determines that all applicable administrative actions and all required work of the award have been completed by the recipient and the awarding agency. [29 CFR 95.2] [29 CFR 97.3]

Common Rule. The *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments; Final Rule*, originally issued at 53 FR 8034-8103 (March 11, 1988). Other common rules will be referred to by their specific titles. [2 CFR Part 225 (OMB Circular A-87)]

Contract. A procurement contract under an award or subaward, and a procurement subcontract under a recipient's or subrecipient's contract. [29 CFR 95.2] [29 CFR 97.3]

Cooperative agreement. An award of financial assistance that is used to enter into the same kind of relationship as a grant; and is distinguished from a grant in that it provides for substantial involvement between the Federal agency and the recipient in carrying out the activity contemplated by the award.

Cost. An amount as determined on cash, accrual, or other basis acceptable to the Federal awarding or cognizant agency. It does not include transfers to a general or similar fund. [2 CFR Part 225 (OMB Circular A-87)]

Cost sharing or Matching. The portion of project or program costs not borne by the Federal Government. [29 CFR 95.2] [29 CFR 97.3]

Data Universal Numbering System (DUNS). A unique nine character identification number provided by the commercial company Dun & Bradstreet (D&B).

Date of completion. The date on which all work under an award is completed or the date on the award document, or any supplement or amendment thereto, on which awarding agency sponsorship ends. [29 CFR 95.2]

Disallowed costs. Charges to an award that the awarding agency determines to be unallowable, in accordance with the applicable Federal cost principles or other terms and conditions contained in the award. [29 CFR 95.2]

Discretionary award. A grant or cooperative agreement for which the Federal awarding agency generally may select the recipient among all eligible recipients, may decide to make or not make an award based on the programmatic, technical, or scientific content of an application, and can decide the amount of funding to be awarded.

Equipment. Equipment is defined as tangible, nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit, including all costs related to the property's final intended use. See Acquisition Cost of Equipment. Grantees may use their own definition of "equipment" provided it meets these minimum standards. [29 CFR 95.2] [29 CFR 97.3]

Federal financial assistance. Assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest, subsidies, insurance, food commodities, direct appropriations, and other assistance but does not include amounts received as reimbursement for services rendered to individuals described in 29 CFR 99.205 (h) and (i). [29 CFR 99.105]

Federal Fiscal Year (FY). The period between October 1 of a calendar year and September 30 of the following calendar year, with the subsequent year as the FY designator. For example, Fiscal Year 2002 or FY 2002 is the period between October 1, 2001, and September 30, 2002.

Funding period. The period of time when Federal funding is available for obligation by the recipient. [29 CFR 95.2]

GAAP. Generally Accepted Accounting Principles. Accounting rules and procedures established by authoritative bodies or conventions that have evolved through custom and common usage. Issued by the American Institute of Certified Public Accountants (AICPA). [29 CFR 99.105]

Government. A state, local, or a Federally recognized Indian tribal government. [29 CFR 97.3]

Grant. An award of financial assistance the principle purpose of which is to transfer a thing of value from a Federal agency to a recipient to carry out a public purpose of support or stimulation authorized by a law of the United States. A grant is distinguished from a contract, which is used to acquire property or services for the Federal government's direct benefit or use. [29 CFR 97.3]

Internal control pertaining to the compliance requirements for Federal programs (internal control over Federal programs). A process, affected by an entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of the following objectives for Federal programs. (1) Transactions are properly recorded and accounted for to (a) permit the preparation of reliable financial statements and Federal reports; (b) maintain accountability over assets; and (c) demonstrate compliance with laws, regulations, and other compliance requirements. (2) Transactions are executed in compliance with (a) laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a Federal program; and (b) any other laws and regulations that are identified in the compliance supplement. (3) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition. [29 CFR 99.105]

Local government. A local unit of government, including specifically a county, municipality, city, town, township, local public authority, school district, special district, intra-state district, council of governments (whether or not incorporated as nonprofit corporation under state law), any other regional or interstate entity, or any agency or instrumentality of local government. [29 CFR 97.3]

Mandatory award. A grant or cooperative agreement awarded under a program where the authorizing statute requires the head of the agency or designee to make an award to each eligible under the conditions and in the amount (or based on a formula) specified in the statute.

Obligations. The amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period. [29 CFR 95.2] [29 CFR 97.3]

Organization. A company, state, local, or tribal government, academia or research institution, not-for-profit entity, or any other type of institution.

Outlays (expenditures). Charges made to the project or program. They may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of actual cash disbursement for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the amount of cash advances and payments made to contractors and subgrantees. For reports prepared on an accrued expenditure basis, outlays are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of in-kind contributions applied, and the net increase (or decrease) in the amounts owed by the grantee for goods and other property received, for services performed by employees, contractors, subgrantees, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments. [29 CFR 95.2] [29 CFR 97.3]

NOTE: ETA requires outlays (expenditures) to be reported on an accrual basis.

Pass-through entity. A non-Federal entity that provides a Federal award to a subrecipient to carry out a Federal program. [29 CFR 99.105]

Personal property. Property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities. [29 CFR 95.2]

Prior approval. Written approval by an authorized agency official evidencing prior consent. [29 CFR 95.2] [29 CFR 97.3]

Program. A coordinated set of services to individuals.

Program income. Program income is income received by a recipient that was directly generated by a grant supported activity, or earned only as a result of the grant agreement *during the grant period*. It includes fees for services performed, income from the use or rental of personal property acquired with grant funds, income from the sale of items fabricated under the grant, interest income for WIA Title I programs only, and revenues in excess of expenditures for governmental and nonprofit agencies. *Program income does not include* refunds, rebates, credits, or discounts, proceeds from the sale of personal property, income from royalties and license fees for copyrights, patents, and inventions, unless such income is specifically identified in the grant agreement as program income. Program income also *does not include* income earned after the grant period has ended, contributions and donations, profits of commercial organizations, and funds used as a match. [29 CFR 95.2]

Program Year (PY). The period between July 1 of a calendar year and June 30 of the following calendar year. The PY designator is the year the period begins. For example, Program Year 2001 or PY 2001 is the period between July 1, 2001, and June 30, 2002.

Project. All activities incorporated in a grant statement of work (SOW), which may include a program as well as the administrative and accountability elements as defined in the SOW.

Project costs. All allowable costs, as set forth in the applicable Federal cost principles, incurred by a recipient and the value of the contributions made by third parties in accomplishing the objectives of the award during the **project period**. [29 CFR 95.2]

Project period. The period established in the award document during which awarding agency sponsorship begins and ends. [29 CFR 95.2]

Questioned cost. A cost that is questioned by the auditor because of an audit finding: (1) which resulted from a possible violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the use of Federal funds, including funds used to match Federal funds; (2) where the costs, at the time of the audit, are not supported by adequate documentation; or (3) where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances. [29 CFR 99.105]

Real property. Land, including land improvements, structures and appurtenances thereto, but excludes movable machinery and equipment. [29 CFR 95.2] [29 CFR 97.3]

Recipient. A non-Federal entity that expends Federal awards received directly from a Federal awarding agency to carry out a Federal program. [29 CFR 99.105]

Single audit. An audit which includes both the entity's financial statements and the Federal awards as described in 29 CFR 99.500. [29 CFR 99.105]

State. Any of several states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a state exclusive of local governments. [29 CFR 97.3]

Subaward (Subgrant). An award of financial assistance in the form of money, or property in lieu of money, made under an award by a recipient to an eligible subrecipient or by a subrecipient to a lower tier subrecipient. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract, but does not include procurement of goods and services nor does it include any form of assistance which is excluded from the definition of "award." [29 CFR 95.2] [29 CFR 97.3]

Subrecipient. A non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. Guidance on distinguishing between a subrecipient and a vendor is provided in 29 CFR 99.210. [29 CFR 99.105]

Supplies. All tangible personal property, equipment. Title to supplies, or other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program. [29 CFR 95.2] [29 CFR 97.3]

Suspension. A post-award action by the awarding agency that temporarily withdraws the agency's financial assistance sponsorship under an award, pending corrective action by the recipient or pending a decision to terminate the award. [29 CFR 95.2] [29 CFR 97.3]

Termination. The cancellation of awarding agency sponsorship, in whole or in part, under an agreement at any time prior to the date of completion. [29 CFR 95.2] [29 CFR 97.3]

Third-party in-kind contributions. The value of non-cash contributions provided by non-Federal third parties. Third-party in-kind contributions may be in the form of real property, equipment, supplies, or other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program. [29 CFR 95.2] [29 CFR 97.3]

Unliquidated obligations. For reports prepared on a cash basis, the amount of obligations incurred by the grantee that has not been paid. For reports prepared on an accrued expenditure basis, they represent the amount of obligations incurred by the grantee for which an outlay has not been recorded. [29 CFR 95.2] [29 CFR 97.3]

Unobligated balance. The portion of the funds authorized by the Federal agency that has not been obligated by the grantee and is determined by deducting the cumulative obligations from the cumulative funds authorized. [29 CFR 95.2] [29 CFR 97.3]

Vendor. A dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a Federal program. These goods and services may be for an organization's own use or for the use of beneficiaries of the Federal program. Additional guidance on distinguishing between a subrecipient and a vendor is provided in 29 CFR 99.210. [29 CFR 99.105]

Acronyms

DOL	Department of Labor
ETA	Employment and Training Administration
EDP	Employment Development Plan
EO	Equal Opportunity
FPO	Federal Project Officer
GEMS	Grants e-Management System
LMI	Labor Market Information
LWIB	Local Workforce Investment Board
MIS	Management Information System
MOU	Memorandum of Understanding
OMB	Office of Management and Budget
SOW	Statement of Work

CMG Appendix C: Summary of Cost Items

KEY

NT =	Not treated in circular
A =	Allowable
AC =	Allowable with conditions
AP =	Allowable with prior approval of either the Grant Officer or Governor
U =	Unallowable
A/U =	Some categories within the particular activity are allowable, while some are not. Please consult respective circular for precise explanations.

Note: Some of the costs on this chart are allowable under the circulars and prohibited under the Workforce Investment Act or other program-specific regulations. You should refer to the program-specific regulations if you have any questions on allowability of a particular cost. This chart is for reference only.

In addition, when reviewing the provisions related to selected items of cost in the OMB circulars, the cost principles applied in establishing the allowability of certain items of cost apply whether the cost is treated as a direct or indirect cost. Failure to address a particular item of cost is not intended to imply that it is unallowable. Rather, the determination of allowability in each case should be based on the treatment or principles provided for similar or related costs. Note also that, in some instances, different cost items may be similarly named, and there may be some overlap in the cost items treated by the different circulars. Again, this chart is for reference only.

	Cost Item	Circular A-21	Circular A-122	Circular A-87	48 CFR Part 31
1	Advertising/public relations	AC/U	AC/U	AC/U	AC
2	Advisory councils	A	A	A	NT
3	Alcoholic beverages	U	U	U	U
4	Alumni/ae activities	U	NT	NT	NT
5	Asset valuations resulting from business combinations	NT	NT	NT	A
6	Audit services	A	A	A	NT
7	Bad debts	U	U	U	U
8	Bonding costs	A/AC	A/AC	A/AC	A/U
9	Commencement and convocation costs	U	NT	NT	NT
10	Communication costs	A	A	A	NT
11	Compensation for personal services	A/U	A/U	AC/U	A/U
12	Contingency provisions	U	U	U	A/U
13	Deans of faculty and graduate schools	A	NT	NT	NT
14	Defense & prosecution of criminal & civil proceedings, claims, appeals, & patent infringement	AC/U	AC/U	A/U	U
15	Deferred research and development costs	NT	NT	NT	AC/U
16	Depreciation and use allowances	AC	AC	AC	AC
17	Donations and contributions	U	U	U	U
18	Economic planning costs	NT	NT	NT	A/U
19	Employee morale, health, welfare costs, and credits	A/AC	A	A	A/U
20	Entertainment costs	U	U	U	U
21	Equipment and other capital expenditures	AP/U	AP/U	AP/U	AP
22	Fines and penalties	AP/AC/U	AP/AC/U	AP/AC/U	AC/U
23	Fund-raising and investment management costs	U/A	U	U	U
24	Gains and losses on depreciable assets (See Item 72)	AC	AC	AC	A
25	General government expenses	NT	NT	U	NT
26	Goods/services for personal use	U	U	U	NT

27	Goodwill	NT	NT	NT	U
28	Housing and personal living expenses	U	AP/U	NT	NT
29	Idle facilities and capacity	AC/U	AC/U	AC/U	AC/U
30	Independent research and development	NT	NT	NT	AC
31	Insurance and indemnification	AC/U	AC/U	AC/U	A
32	Interest	A/AC/U	A/AC/U	A/AC/U	U
33	Labor relations costs	A	A	NT	AC/U
34	Lobbying (including Executive Lobbying)	U	U	U	U
35	Losses on other sponsored agreements/contracts	U	U	U	U
36	Maintenance and repair costs	A	A	AC	A
37	Manufacturing and repair costs	NT	NT	NT	A
38	Manufacturing and product engineering costs	NT	NT	NT	A
39	Material costs	A	A	A	A
40	Meetings and conferences	A	A	A	See Item 2
41	Memberships, subscriptions, professional activity costs	A/U	A/AP/U	A/AP/U	NT
42	Organization costs	NT	U/AP	NT	U
43	Other business expense	NT	NT	NT	A
44	Overtime, extra-pay shift, and multi-shift premiums	NT	AP	NT	See Item 14
45	Page charges in professional journals	A	A	AC	NT
46	Participant support costs	NT	AP	NT	NT
47	Patent costs	A/U	A/U	A/U	A/U
48	Plant and homeland security costs	A	A	A	A
49	Pre-award/Pre-agreement	U/AP	AC/AP	AC/AP	AC
50	Professional services costs	AC	AC	AC	A
51	Proposal costs	AC	NT	A	AP
52	Publication and printing costs	A	A	A	NT
53	Rearrangement and alteration costs	A	A	A	NT
54	Reconversion costs	A	A	A	AC/U
55	Recruiting costs	A	A	A	A
56	Relocation costs	NT	AC	NT	A/U
57	Rental costs of buildings and equipment	AC	AC	AC	AC
58	Royalties and other costs for use of patents	AC	AC	AC	A
59	Scholarships and student aid costs	A	NT	NT	NT
60	Selling and marketing	AC/U	U	U	A/U
61	Service and warranty costs	NT	NT	NT	A
62	Severance pay	NT	AC/U	AC	AC
63	Special tooling and special test equipment costs	NT	NT	NT	A
64	Specialized service facilities	AC	AC	NT	NT
65	Student activity costs	U	NT	NT	NT
66	Substantial relocation of Federal programs (Related to gains and losses in A-87)	NT	NT	AC	See Item 22
67	Taxes	AC	AC	AC	AC
68	Termination costs	AC	AC	AC	A/U
69	Training and education costs	A	AC/AP/U	A	AC
70	Transportation	A	A	NT	AC
71	Travel costs	AC	AC	AC	AC
72	Trustees	AC	AC	NT	NT
73	Under recovery of costs under Federal agreements	NT	NT	NT	U

Source: Attachment II-4-1, One-Stop Comprehensive Financial Management TAG, Revised July, 2004.