

APRIL 1, 2022

TO: All Western Piedmont Workforce Development Area Title I **Service Providers**

SUBJECT: Financial Monitoring Policy

EFFECTIVE DATE: Immediately

EXPIRATION DATE: Indefinite

CONTACT: Workforce Development Financial Manager

Wendy Johnson

Wendy Johnson
Workforce Development Director

Serving Alexander, Burke, Caldwell and Catawba Counties

The Western Piedmont Workforce Development Board does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

FINANCIAL MONITORING POLICY

PURPOSE: To transit the financial monitoring policy for Western Piedmont Workforce Development Area (WPWDA). *To rescind WPWDA Financial Monitoring Policy dated June 14, 2021.*

BACKGROUND: The North Carolina Department of Commerce, Division of Workforce Solutions requires that local area staff monitor the Workforce Innovation and Opportunity Act (WIOA) programs annually. The WPWDA Financial Monitor completes the required annual monitoring monthly and annually. The Financial Monitor reviews financial operations for compliance inclusive of technical assistance and corrective actions. Year-round daily invoice/requisition review is also completed and assisted accordingly.

PROCEDURE: Annual Monitoring

1. An email is sent out to the **service provider** with possible 3rd quarter dates in the current program year for annual monitoring in order to determine the dates that work best for both parties. A 30 day notice is provided.
2. After a date is finalized a letter goes out to the **service provider** confirming the dates of the financial monitoring.
3. The annual monitoring includes an in-depth review of the charges on the Monthly Expenditure Reports (see the Financial Reports Policy located at <https://www.wpcog.org/policy-statements> and the completion of the Western Piedmont Workforce Development Board Workforce Innovation and Opportunity Act **Service Provider** Fiscal Monitoring Guide (Attachment A). A random selection of charges from the Monthly Expenditure Report is selected from the general ledger during annual monitoring to determine compliance and that there are no corrective actions needed. In addition, a random selection of participant files are reviewed in ncworks.gov. This review looks at the items on the Participant Files Checklist (Attachment B) to make sure everything is uploaded and accurate.
4. Once the monitoring process is complete, a monitoring report is prepared and sent to the **service provider** along with a letter listing the dates the monitoring took place and notifying the **service provider** that anything in bold requires a response within 15 days from the receipt of the report.
5. Once a response is received for anything in bold print found in the comments and corrective actions paragraph, the Financial Monitor will determine if any additional actions or responses are required.

Monthly Monitoring

The purpose of the monthly monitoring is to review monthly expenses to ensure that there are no disallowed costs or corrective actions needed before payment is issued.

1. Once the expenditure reports are received on the date listed on the WIOA Title I **Service Provider** Calendar (this is sent to the **service provider** prior to the beginning of each new program year), each

county's budget is reviewed to make sure that budget line-item expenditures and cost categories have not exceeded the current approved budget and that budget levels of expenditures are currently "in-line" with the program directive and there are no problems with expenditure overages.

2. In addition, each line item is reviewed by the Financial Manager and checked off on the Monthly Monitoring Checklist (Youth - Attachment C, Adult/Dislocated Worker – Attachment D). When reviewing, the Financial Manager makes sure that items are categorized correctly on the expenditure report and general ledger and that there are no corrective actions needed.
3. If corrective actions are needed, an email is sent to the **service provider** to make corrections before payment is processed.
4. Once everything is reviewed and any changes are made, the Financial Manager signs off on the Monthly Monitoring Checklist (Youth - Attachment C, Adult/Dislocated Worker – Attachment D) and gives it to the WPWDA Director for approval.



Workforce Innovation and Opportunity Act
Service Provider Fiscal Monitoring

FINANCIAL OPERATIONS REVIEW

Workforce Development Board Review Information

Service Provider:

Mailing Address:

Executive Director/President:

Date(s) of Review:

Contact Person:

Title:

Phone Number:

Fax Number:

E-Mail Address:

LA Reviewer:

Title:

Brief summary of overall findings, including any program strengths and areas needing improvement.

Local Area Desk Review

A. RFP Review

Review the current RFP or other awards funded through the Local Area.

B. Performance Reviews

- Review the provider's financial data, including overall expenditures (check for progress towards the 20% youth work experience and spending of current funds).

Fund Code	Fund Description	PY Budget		Expenditures Reported	% Expended	Available Balance
4020	Adult					
4030	Dislocated Worker					
4040	Youth					

- Review the most recent audit resolution information. Determine if there are financial and administrative findings for which a review is required to determine if corrective action has been implemented.
- Review the most recent monitoring report and supporting documentation. Determine if there were findings for which follow-up is needed.

Financial and Administrative Systems

List the names and titles of individuals who supplied information for the completion of this section of the review.

FUNCTION	NAME	TITLE
Personnel		
Time Distribution Accts.		
Accounts Payable		
Accounts Receivable		
Budget		
Report Preparation		
Reconciliation		
Cash Management		
Check Preparation		
Check Signing		
Monitoring/Oversight		
Developing Policy		

- Has the provider undergone significant fiscal staffing changes within the last six months?

Yes No If yes, describe the changes:

If yes to the above question, how does the provider ensure that new fiscal staff are aware of WIOA requirements?

A. Accounting

- Describe the provider's system (software) used to track its WIOA expenditures.
- What is the latest month for which accounting records are available?
- Is the general ledger supported with entry descriptions? Yes No
- Are journal entries periodically reviewed and approved by the controller?
Yes No What is the procedure?

B. Bookkeeping

Select a sample of financial transactions for the period reviewed. Make sure all significant categories are included, e.g., payrolls, vendor payments, and payments to participants.

1. Does the entity maintain complete documentation of financial transactions, including obligating funds, expenditures, cash receipts and disbursements?
Yes No
2. Do salaries and bonuses of any WIOA provider executives charged to programs exceed the 2017 limit of \$187,000 under Sec. 7013 of Public Law 109-234? (TEGL 5-06)
Yes No
3. Do financial records appear accurate, current, complete, well organized, and free from excessive adjustments? Yes No
4. Is the entity in compliance with the three-year record retention requirement? (In accordance with **29 CFR 97.42 and 29 CFR 95.53**) Yes No
5. List the documents reviewed: (list by topic, e.g., payroll, financial reporting, etc.)

C. Budgeting

1. Does the provider prepare a budget or plan for the use of funds for the term of the grant?
Yes No
2. What action is taken by the provider when large variances between planned and actual costs occur?
3. Are all budget line items used in the budget also used for charging or accumulating costs in the accounting system? Yes No
4. Has the current year budget been approved by the authorized official prior to expensing funds? Yes No Who is the authorized official?

D. Financial Management

1. Determine the financial records that the agency maintains:

<input type="checkbox"/> General Ledger	<input type="checkbox"/> Accounts Receivable Ledger
<input type="checkbox"/> Cash Receipts Journal	<input type="checkbox"/> Accounts Payable Ledger
<input type="checkbox"/> Check Register	<input type="checkbox"/> Purchase Journal
<input type="checkbox"/> Other:	<input type="checkbox"/> General Journal

2. Are the records sufficient to prepare reports and trace funds including integration with the parent agency such as an outside CPA firm?
Yes No
3. Get a copy of the agency's fiscal and accounting procedures and attach
4. Is the agency submitting accurate and timely monthly reports? Yes No
5. Does the agency submit requests to change reports? Yes No If no, explain.
6. Discuss technical assistance or corrective action necessary.

E. Cash Management

1. Does the provider have a system for monitoring receipts, disbursements and balances of funds on a daily basis? Yes No
2. Does the provider have procedures for:
 - a. Making timely but not premature payment of amounts it owes? Yes No
 - b. Taking advantage of discounts? Yes No
 - c. Avoiding late payment penalties? Yes No
3. Are bank statements reconciled with the provider's books at least monthly?
Yes No (If no, what is the frequency?)
4. Do reconciliation procedures provide for:
 - a. Accounting for all check numbers used? Yes No
 - b. Identifying outstanding checks? Yes No
 - c. Investigating checks that have been outstanding for 30 days or more?
Yes No
 - d. Tracing and reviewing transfers to and from bank accounts? Yes No
 - e. Voided checks and voiding outstanding checks after a reasonably prescribed period? Yes No
 - f. Handling long-term and undelivered checks? Yes No

- g. Comparing the account balance with the general ledger balance? Yes No
- h. Determining if funds are in interest bearing accounts and covered by the Federal Deposits Insurance Corporation (FDIC). Yes No

F. Subcontractor Controls

- 1. Does the provider have any subcontracts? Yes No
If yes, did the provider receive Local Area approval?
- 2. Review subcontract agreement and the internal method for monitoring to ensure goals are met and amounts are not exceeded.

G. Financial Reporting

- 1. Has the provider reported financial data in a manner, which corresponds with the Local Area reporting requirements? Yes No
- 2. Are accounting records kept on an accrual or cash basis?
- 3. Where are the fiscal records kept?

H. Staff Payroll & Travel

- 1. Does the provider have time sheets for staff? Yes No
- 2. If so, are the time sheets signed by employee and supervisor? Yes No
- 3. Where applicable, do time sheets reflect actual time worked for different WIOA funds, cost categories, etc? Yes No
- 4. Who verifies staff time sheets for accuracy?
- 5. Who verifies the above named persons time sheet?
- 6. Are changes in pay rates made effective through formal authorization?
Yes No
- 7. Does the **service provider** require travel vouchers to support all travel?
Yes No

8. Do travel vouchers provide traveler's signature and signature of approval?
Yes No
9. Are vouchers accompanied by receipts for lodging and meals when reimbursing for actual costs? Yes No
10. Does the **service provider** allow travel advances?
Yes No
11. Is car mileage reimbursed based on actual miles traveled? Yes No
If so, what is the current rate per mile?

I. Participant Time Sheets

1. Does the provider require time sheets for participants receiving wages?
Yes No
- If Yes, do the time sheets have the following?
- | | |
|---|--|
| Dates covering payroll period: | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Time worked recorded each day: | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Total Hours | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Signature of Participant | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Signature of supervisor and/or counselor? | Yes <input type="checkbox"/> No <input type="checkbox"/> |
2. Is preparation of participant payroll separate from and independent of the delivery of paychecks? Yes No
3. Are payees required to sign register/receipt in order to receive a paycheck?
Yes No
4. Does provider all for the pre-signing of time sheets?
Yes No
5. Does **service provider** allow participants to have control of their timesheets?
Yes No
6. Are all participants provided workmen's compensation insurance and/or coverage under a medical and accident insurance policy?
Yes No

7. Has the **service provider** ensured that participants that are concurrently involved in a work and class training have been adequately covered in both situations?
Yes No

J. Property Control

1. Does the provider maintain a record of all WIOA property?
Yes No
2. Does the **service provider** know what to do in case of vandalism or theft of WIOA property? Yes No
3. Does the **service provider** use a competitive process when purchasing property?
Yes No
4. Has the provider designated a person to manage property, to maintain a property listing, and to check physical inventory? Yes No
If yes, Name of Person:

K. Audits

1. Is the provider subject to the performance of annual organization-wide audits (single audits)? Yes No (If no, are yearly audits or intensive financial reviews performed (or arranged for) to ensure that funds are properly accounted for?) Yes No
2. Has the provider prepared and submitted a fiscal and compliance audit within the earlier of 30 days after receipt of auditor's report, or nine months after the end of the audit period? Yes No (If no, what corrective action has been taken?)

L. Internal Monitoring

Describe the system of internal monitoring used, including responsible individuals, frequency and documentation.

M. Cost Procedures

1. Does the provider have a written cost allocation plan (CAP)? Yes No
2. Review the written cost allocation plan to determine if it addresses the all areas that conform to the USDOL guidance. If required areas are omitted

in the cost allocation plan, the report should recommend that they be included.

- Organization chart
 - Description of the types of service
 - Copy of official financial statements or budgets
 - Proper cost category classification (administration versus program) of subrecipient expenses conforming to USDOL guidance
 - The method used in distributing the shared costs (expenses) to each program/service
 - Includes a list costs items (expenses) charged to programs/ services that indicates costs as a direct costs, shared intermediate costs and/or indirect costs (administrative)
 - Certification by an authorized official
 - Identification of the department(s) rendering the service (summary cost allocation plan)
 - Summary schedule of the allocations of central service costs to operating department(s)
3. Is the provider using indirect cost? Yes No
4. Is there an indirect cost plan on file?

N. Program Income

1. Does the provider earn program income under WIOA Title I grants?
Yes No If yes, are these funds properly recorded in WISE and used in accordance with program requirements? Yes No
2. Briefly describe program income earned and ensure that it is, in fact, program income.
3. How does the provider account for program income earned and used?
[Click here to enter text.](#)
4. Has program income been used in accordance with OMB Uniform Guidance and regulation requirements to further advance eligible project or program objectives?
2 CFR 200.307; 29 CFR 97.25 & 29 CFR 95.24 Yes No

Participant Files Check List

1. Does the address in the system match the address on the reimbursements (for mailing address and physical address)
2. Are the mileage calculations correct
3. Are the childcare calculations correct
4. Are all google maps uploaded into the system for mileage reimbursements
5. Does the google maps have the correct starting address
6. Does the attendance sheet match the mileage reimbursement days?
7. Does the attendance sheet exclude all holidays/absences for reimbursement?
8. Are all signatures on the vouchers, mileage reimbursement forms, attendance forms, etc.?
9. Does any old vouchers uploaded with the revised voucher have the word void on them?
10. Is the participants physical address written on the mileage reimbursement form?
11. If a driver is taking the participant to school is their an email or something attached stating that they agree to drive the participant and their address as well as the form "WIOA checklist for determination of transportation needs"

Monthly Monitoring Checklist
 Program Year _____

Youth

	Staff Salaries	Staff Fringe	Operating/O ccupancy	Program Develop	Staff Travel	Equip & Property	Participant Ed Cost	Participant Training/WEX	Participant Fringe	Participant Support	Indirect	Profit
July												
August												
September												
October												
November												
December												
January												
February												
March												
April												
May												
June												

Reviewed By: _____
 WDB Financial Manager

Approved By: _____
 WDB Director

Monthly Monitoring Checklist
 Program Year _____

Adult & DW

	Staff Salaries	Staff Fringe	Operating/O ccupancy	Program Develop	Staff Travel	Equip & Property	Participant Ed Cost	Participant Training/WEX	Participant Fringe	Participant Support	Indirect	Profit
July												
August												
September												
October												
November												
December												
January												
February												
March												
April												
May												
June												

Reviewed By: _____
 WDB Financial Manager

Approved By: _____
 WDB Director






Financial Monitoring Policy - Final - 4-1-22

Final Audit Report

2022-03-31

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