



**WORKFORCE
INVESTMENT NETWORK**

**WORKFORCE INVESTMENT NETWORK
LOCAL WORKFORCE INVESTMENT AREA (LWIA) 13**

DATE:	July 7, 2014
POLICY NUMBER:	2014:07
SUBJECT:	WIN MONITORING PROGRAM
PURPOSE:	To provide uniform procedures for monitoring LWIA 13 programs, identifying monitoring infractions, and implementing corrective actions and sanctions. LWIA 13 is committed to ensuring that costs are allowable under all state and federal regulations.
REVISION NUMBER:	N/A

I. BACKGROUND / OVERVIEW

In accordance with the Workforce Investment Act (**WIA**) (20 CFR Part 667.410), each **grant** recipient and subrecipient must conduct regular oversight and monitoring of its WIA activities and those of its subrecipients and contractors in order to:

- 1) Determine that expenditures have been made against the cost categories and within the cost limitations specified in WIA and the regulations;
- 2) Determine whether or not each recipient and subrecipient comply with other provisions of the Act and regulations and other applicable laws and regulations; and
- 3) Provide technical assistance as necessary and appropriate.
- 4) Determine whether WIA funds are expended only for allowable cost activities.

WIN, via the City of Memphis, has contracts with all Individual Training Account (ITA) Providers, Youth Contractors, Incumbent Workers Training Programs, and On-the-Job Training Programs.

II. POLICY

The Workforce Investment Network (WIN) has implemented a comprehensive monitoring plan covering all grant-supported activities for all entities receiving WIA funds. The Performance and Quality Assurance Department (PQAD) is charged with performing program and fiscal monitoring of contract entities at least annually. Local monitoring objectives include:

- Assessing reliability of internal controls
- Verifying that program objectives are met
- Verifying that civil rights requirements are met
- Testing the reliability of financial and programmatic reporting
- Testing **whether or not** costs and services are allowable and eligible
- Verifying contractual compliance

When monitoring infractions are identified, WIN will attempt corrective action through technical assistance and sanctions prescribed by management.

III. WIN'S MONITORING CYCLE

WIN's monitoring cycle consists of the following steps:

1. Contractor Notification

As contractors submit invoices for reimbursement of expenditures, the PQAD contacts them to schedule the fiscal and program monitoring visits. After scheduling, the responsible PQAD staff emails the following documents to the contractor:

- monitoring visit appointment letter
- desk review (i.e. questionnaire to be completed prior to the monitoring visit)
- checklist (specifies documentation that should be ready and/or available for the visit, as well as supplemental information).

2. On-site Monitoring Visit

During the first monitoring visit, PQAD staff meets with the contractor to:

- review the completed Desk Review
- review participant files, attendance records, etc.
- complete the Field Review questionnaire with contractor
- interview participants
- verify the Contractor is compliant with federal, state, and local regulations
- review fiscal records, pertaining to the contract (invoices, payments, etc.)

3. Monitoring Report

After all required information and documentation have been compiled, an informed opinion regarding the contractor's compliance can be made. The opinion will be stated in a monitoring report, which will be issued within thirty (30) days of completion of the monitoring visit. The detailed report will include any findings, disallowed costs, and recommendations for corrective action.

4. Follow-up

After the contractor has submitted the required corrective action or by the deadline for such, PQAD will determine if the finding and disallowed costs have been resolved. Follow-up with the contractor will continue until satisfactory resolution.

IV. MONITORING INFRACTIONS AND SANCTIONS

As a result of program and fiscal monitoring, various infractions are sometimes detected. The primary monitoring infraction categories to be addressed, along with required sanctions, are listed in Table I below:

Table I

Monitoring Infraction	1 Quarter Noncompliance	2 consecutive Quarters Noncompliance	3 consecutive Quarters Noncompliance	4 consecutive Quarters Noncompliance
Performance Measures are not met. Contractor is unable to provide acceptable justification	Technical Assistance provided and written warning	Recommend no new participants be referred for 90 days	Contract suspension, de-obligation, or termination required	N/A
Reporting is unsatisfactory (i.e., quarterly reports are not submitted)	Technical Assistance provided and written warning	Recommend no new participants be referred for 90 days	Contract suspension, de-obligation, or termination required	N/A
Recordkeeping / Documentation is unsatisfactory (i.e., participant files are missing required documentation)	Technical Assistance provided	Written warning	Recommend no new participants be referred	Recommend contract suspension, de-obligation, or termination
Disallowed costs detected: (1) reimbursed costs exceed actual costs; (2) reimbursed costs not budgeted or exceed contract budget; or (3) reimbursed costs fall outside contract period.	Technical Assistance provided and disallowed cost must be refunded within ten (10) business days of notification	N/A	N/A	N/A
Contract compliance – Key contract terms are not met: (1) not billing timely or with required frequency; or (2) required insurance coverage is not maintained.	Technical Assistance provided and ten (10) business days to correct issue	N/A	N/A	N/A

Budgetary infractions, which are assessed on an occurrence basis, instead of quarterly, are outlined in Table II below:

Table II

Budgetary Infraction	1st Occurrence	2nd Occurrence	3rd Occurrence	4th Occurrence
Contractor makes budget item transfer without prior written approval.	Contractor is notified by email that invoice will not be processed without proper written approval.	Contractor receives written warning.	Contract may be suspended.	Contract funds may be de-obligated, or contract may be terminated

The following procedures will apply to all monitoring infractions:

- 1) Preliminary monitoring infractions will be communicated in writing, via e-mail. Depending on the type of infraction, the subcontractor will be given five business days to resolve the infraction.
- 2) If the infraction is resolved within the set time limit, it will not be listed in the final Monitoring Report. If the infraction is not resolved within the prescribed length of time, the infraction will be reported in the final Monitoring Report, which will be sent via certified mail to the Contractor.
- 3) Each infraction will have a standard sanction, the implementation of which is meant to help resolve the infraction (see Table I).
- 4) The status of each outstanding infraction will be tracked quarterly until the infraction is completely resolved.

X. EFFECTIVE DATE: This Policy shall be effective upon the date stated above and remain in effect until further notice.

XI. INQUIRIES: Please contact the Performance & Quality Assurance Manager with inquiries regarding this Policy.

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