|  |  |
| --- | --- |
| WDA:  [Enter WDA Address] | Date(s) of Review: |
| DET Reviewer(s): | |
| Staff Interviewed: | |

|  |  |  |  |
| --- | --- | --- | --- |
| **AREA** | **FINDING** | **AREA OF CONCERN** | **TECHNICAL ASSISTANCE PROVIDED/REQUESTED** |
| **1.** [**Budget**](#_BUDGET) | | | |
| [Budget Controls and Budget Modifications](#_BUDGET_CONTROLS_&) |  |  |  |
| **2.** [**Property Management**](#_PROPERTY_MANAGEMENT) | | | |
| [Insurance Coverage](#_INSURANCE_COVERAGE) |  |  |  |
| [Real Property](#_REAL_PROPERTY_(WDA) |  |  |  |
| [Equipment](#_EQUIPMENT) |  |  |  |
| [Rental or leasing Costs for Property](#_RENTAL_OR_LEASING) |  |  |  |
| [Intangible Assets](#_INTANGIBLE_ASSETS) |  |  |  |
| **3.** [**Procurement and Contract Administration**](#_3._PROCUREMENT_AND) | | | |
| [Procurement Standards](#_PROCUREMENT_STANDARDS) |  |  |  |
| [Competition](#_COMPETITION) |  |  |  |
| [Methods of Procurement](#_METHODS_OF_PROCUREMENT) |  |  |  |
| [Cost or Price Analysis](#_COST_OR_PRICE) |  |  |  |
| [Contract Administration](#_CONTRACT_ADMINSTRATION_1) |  |  |  |
| **4.** [**Subrecipient Management and Oversight**](#_SUBRECIEPIENT_MANAGEMENT_&) | | | |
| [Subrecipient Risk Analysis](#_SUBRECIPIENT_RISK_ANALYSIS) |  |  |  |
| [Subrecipient Monitoring](#_SUBRECIPIENT_MONITORING) |  |  |  |
| **5.** [**Records Management**](#_RECORDS_MANAGEMENT) | | | |
| [Record Retention and Accessibility](#_RECORDS_RETENTION) |  |  |  |
| [Protected Personally Identifiable Information](#_PROTECTED_PERSONALLY_IDENTIFIABLE) |  |  |  |
| **6.** [**Personnel**](#_PERSONNEL) | | | |
| [Personnel Policy and Procedures](#_PERSONNEL_POLICY_AND) |  |  |  |
| [Staff Positions, Salaries and Org Charts](#_STAFF_POSITIONS,_SALARIES) |  |  |  |
| [Timecards and Travel Expense Reports](#_TIME_CARDS_&) |  |  |  |
| **7.** [**Internal Controls**](#_INTERNAL_CONTROLS) |  |  |  |
| **8.** [**Written policies and procedures**](#_WRITTEN_POLICIES_AND) |  |  |  |
| **9.** [**Accounting System and Cash Management**](#_ACCOUNTING_SYSTEM_&) |  |  |  |
| **10.** [**Financial Reporting**](#_FINANCIAL_REPORTING) |  |  |  |
| **11.** [**Allowable Costs and Cost Classification**](#_ALLOWABLE_COSTS_AND) | | | |
| [Voucher Testing](#_VOUCHER_TESTING) |  |  |  |
| **12.** [**Cost Allocation/Indirect Cost Plan**](#_COST_ALLOCATION/INDIRECT_COST) |  |  |  |
| **13.** [**Audits and Audit Resolutions**](#_AUDITS_AND_AUDIT) |  |  |  |

# 

# 1. BUDGET

## 

## BUDGET CONTROLS AND MODIFICATIONS

[29 CFR 97.20(b)(4), 29 CFR 95.21(b)(4), 2 CFR 200.302(b)(5), 2 CFR 200.308, WIOA Section 107 (b)(12)]

1. Has the budget been approved by the WDA Board of Directors for July 1, 2024-June 30, 2025?
   * Obtain minutes documenting WDA Board approval.
   * If the CLEO is **not** on the WDA Board, has the budget been approved by the CLEO?
2. How often does the staff compare actual costs to budgeted costs to ensure that the program operates within the budget?
3. How often are the budget to actuals presented to the WDA Board?
4. Were there any budget modifications to the PY24 budget?
   * If yes, review all WDA Board meeting minutes approving the budget modifications.
5. Are bonuses and raises included in the budget planning?

# 2. PROPERTY MANAGEMENT

## REAL PROPERTY

[2 CFR 200.311, 20 CFR 683.240, 20 CFR 688.550]

**(None of the WDAs currently own Real Property, questions provided for WDA reference)**

1. Does the WDA have policies and procedures in place for acquiring, managing, and disposing of real property purchased with WIOA grant funds?
2. For any real property that was purchased with WIOA grant funds, was prior approval received from DWD-DET and DOL prior to the acquisition or disposition of that property?

## INSURANCE COVERAGE

[2 CFR 200.310]

1. Does the WDA have insurance coverage for equipment acquired with WIOA grant funds?
2. Does the WDA have an active Director's and Officer's (D&O) liability insurance policy?

## EQUIPMENT

\*Equipment is defined as an asset purchase more than $5,000

[2 CFR 200.313, 2 CFR 200.436]

1. For equipment purchased with WIOA grant funds, was DWD-DET approval received prior to the acquisition or disposition of that equipment?
2. Does the WDA have policies and procedures governing the acquisition, management, and disposition of equipment?
3. Are equipment records maintained with the required data elements?
   * Description of equipment
   * Serial number
   * Acquisition cost and date
   * Percentage of federal participation in the purchase
   * Titleholder
   * Current use, condition, and location
   * Source of funding
   * Federal Award Identification Number (FAIN)
   * Sale price and date of disposition.
4. Is a physical inventory of the equipment conducted and reconciled with the property records at least once every two years?
5. If equipment was purchased or leased, did the WDA perform a lease vs. purchase comparison to determine the best option?

1. If equipment is depreciated, what method is used?
2. How does the WDA determine the life expectancy of equipment?
3. Does the WDA have a system in place for disposition of equipment?
   * Was any equipment purchased with WIOA grant funds disposed of during the review period?

## RENTAL OR LEASING COSTS FOR PROPERTY

[2 CFR 200.465]

1. Review the lease terms to determine the following:
   * Do the lease agreements have a schedule of payments?
   * Is the lease signed by a grant signatory authorized to sign on behalf of the WDA?
   * Is the lease current?
2. Are rental agreements reviewed periodically to determine if circumstances have changed and/or other options are available?
3. Does the WDA have any capital leases?

## INTANGIBLE ASSETS

[2 CFR 200.315, 2 CFR 2900.13, WIOA Grant Terms and Conditions]

1. Has the WDA acquired or developed any intangible property with grant funds?

If yes:

* + Does the WDA have policies and procedures covering intangible property? If not, how do they ensure compliance?
  + Are there documents proving that intangible property developed under a competitive grant are licensed under a Creative Commons Attribution license?
  + If grant funds were used to pay a contractor to produce or acquire intangible property for grant use, does the agreement ensure that the WDA retains the right to continued use?
  + When no longer needed for the originally authorized purpose, and if required by the terms and conditions of the Federal award, did the WDA receive disposition instructions from DOL when disposing of the intangible property?

# 3. PROCUREMENT AND CONTRACT ADMINSTRATION

## PROCUREMENT STANDARDS

[2 CFR 200.113, 2 CFR 200.318-327, WIOA Section 107 (d)(12)(B)(i)(II)]

[[Simplified Acquisition Threshold Changes](https://www.doleta.gov/grants/pdf/Grantee_Letter-Micropurchase_and_Simplified_Acqusition.pdf)]

***Note:*** *WIOA 121(d)(a) requires that the OSO be designated in competitive process every 4 years. This procurement is conducted by DWD-DET to ensure WIOA guidelines are followed.*

1. When was the most recent OSO procurement conducted?
   * Was a cost / price analysis performed and a minimum dollar amount of $3,500 included in the RFP for OSO duties as required by the DWD-DET? [DWD guidance issued 5-10-18]

1. Has the policy been updated to reflect thresholds per [48 CFR part 2, subpart 2.1](https://www.ecfr.gov/cgi-bin/text-idx?node=sp48.1.2.2_11&rgn=div6):
   * Micro-purchases (less than $10,000).
   * Small purchases (less than $250,000).
   * Sealed bids (Formal advertising) purchases.
   * Procurement by competitive proposals (greater than $250,000).
   * Noncompetitive purchases (sole source).

***Note:*** *WDAs can be more restrictive than Uniform Guidance by having thresholds lower than those listed above.*

1. Does the WDA maintain a written code of conduct covering conflicts of interest and governing the actions of its employees or Board members engaged in the selection, award, and administration of contracts?
2. Does the written code of conduct include signed and written “Conflict of Interest” statements?
3. Is the WDA ensuring that applicants or entities submitting bids and/or proposals are disclosing, in a timely manner, in writing to the federal awarding agency or pass-through entity all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award?
4. Are contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals excluded from competing for such procurements?
5. Does the WDA take affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible?
6. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with federal money, does the WDA (and its subrecipients) clearly state the following?
   * The percentage of the total costs of the program or project which will be financed with federal money.
   * The dollar amount of federal funds for the project or program.
   * The percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

## COMPETITION

[2 CFR 200.319]

1. What is the WDA's process for procurement activities?
2. Does the WDA ensure that it conducts procurement activities in a manner to ensure full and open competition and is not restrictive of competition as listed on 2 CFR 200.319(b)(1-7)?

* Placing unreasonable requirements on firms for them to qualify to do business
* Requiring unnecessary experience and excessive bonding
* Noncompetitive pricing practices between firms or between affiliated companies
* Noncompetitive contracts to consultants that are on retainer contracts
* Organizational conflicts of interest
* Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement

and

* Any arbitrary action in the procurement process.

1. Does the WDA have noncompetitive procurement (sole source) procedures as required per 2 CFR 200.320(c)?
2. Are noncompetitive procurement determinations appropriately documented?
3. Do one or more of the circumstances outlined in 2 CFR 200.320(c)(1-5) apply?
   * The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section)
   * The item is available only from a single source
   * The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation
   * The federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-federal entity

or

* + After solicitation of a number of sources, competition is determined inadequate.

## METHODS OF PROCUREMENT

[2 CFR 200.320]

1. For the purchase of goods and/or services, did the WDA appropriately use one of the procurement methods outlined above?
2. Does the procurement history file demonstrate that it used one of the procurement methods outlined above?

***Note:*** *These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.*

1. Does the procurement history file contain enough evidence to support full and open competition?

## COST OR PRICE ANALYSIS

[2 CFR 200.324]

1. From the selection of contracts obtained in the previous indicator, did the WDA use a cost/price analysis for contracts exceeding the Simplified Acquisition Threshold ($250,000)?
2. Does the WDA negotiate profit as a separate element of the price for each contract?
3. Is profit recognized in whole dollars (not as a percentage of cost) and is it reasonable in terms of the services rendered or goods provided?
4. For performance-based contracts, are the levels of performance in accordance with negotiated terms?

* Are performance levels specified and negotiated in the contract met before payment is made?

1. Does the WDA consider the following factors to determine the amount of profit to be earned under the contract?

Risk factors include:

* Complexity of work
* Risk borne by contractor
* Contractor’s investment
* Amount of subcontracting
* Record of past performance
* Industry profit rates in the geographic area for similar work.

## CONTRACT ADMINSTRATION

[2 CFR 200.325, 2 CFR 200.331]

1. Does the WDA make available upon request, to the federal awarding agency or passthrough entity, pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates?
2. Is/are the individual(s) responsible for signing contracts authorized to do so on behalf of the WDA?
3. Are the required provisions included for contracts sampled per threshold level?

*Note: Refer to Uniform Guidance Resource K: Background for Contract Provisions.*

|  |  |  |  |
| --- | --- | --- | --- |
| ***> $2,000*** | ***> $10,000*** | ***> $10,000 to<$150,000*** | ***> $150,000*** |
| *EEO Clause Outlined 41 CFR Part 60* | *EEO Clause Outlined 41 CFR Part 60* | *EEO Clause Outlined 41 CFR Part 60* | *EEO Clause Outlined 41 CFR Part 60* |
| *Debarment and Suspension* | *Debarment and Suspension* | *Debarment and Suspension* | *Debarment and Suspension* |
| *Rights to inventions* | *Rights to inventions* | *Rights to inventions* | *Rights to inventions* |
|  | *Terminations for cause/convenience* | *Terminations for cause/convenience* | *Terminations for cause/convenience* |
|  |  | *Byrd Anti-Lobbying* | *Byrd Anti-Lobbying* |

1. Do contracts identify what happens to records and equipment once the grant ends or is terminated?
2. Are the 14 required elements listed under 2 CFR 200.332 included in contracts? Are subawards clearly identified as subawards? If the WDA clearly identified the subaward as a subrecipient, then it must contain all required items of information.

Federal Award Identification:

* Subrecipient name (which must match the name associated with its unique entity identifier)
* Subrecipient's unique entity identifier
* Federal Award Identification Number (FAIN)
* Federal award date (see the definition of Federal award date in § 200.1 of this part) of award to the recipient by the federal agency
* Subaward period of performance start and end date
* Subaward budget period start and end date
* Amount of federal funds obligated by this action by the pass-through entity to the subrecipient
* Total amount of federal funds obligated to the subrecipient by the pass-through entity including the current financial obligation
* Total amount of the federal award committed to the subrecipient by the pass-through entity
* Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)
* Name of federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity
* Assistance listings number and title; the pass-through entity must identify the dollar amount made available under each federal award and the Assistance listings number at time of disbursement
* Identification of whether the award is R&D

and

* Indirect cost rate for the federal award (including if the de minimis rate is charged) per § 200.414.

1. Does the WDA have policies and procedures surrounding noncompliance for its subrecipients that includes actions outlined in 2 CFR 200.339(a-f):

* Temporarily withhold cash payments pending correction of the deficiency by the non-federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity
* Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance
* Wholly or partly suspend or terminate the federal award
* Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a federal awarding agency)
* Withhold further federal awards for the project or program
* Take other remedies that may be legally available.

1. If the WDA decided to terminate the subaward early, were the actions outlined in 2 CFR 200.340 and 200. 341 followed?

# 4. SUBRECEIPIENT MANAGEMENT AND OVERSIGHT

## 

## SUBRECIPIENT RISK ANALYSIS

[2 CFR 200.206, 2 CFR 200.208, 2 CFR 200.213, 2 CFR 200.318, 2 CFR 200.332, 2CFR 2900.3, TEGL 2-12]

1. Does the WDA evaluate each subrecipient’s risk of compliance with federal statutes, regulations, and the terms and conditions of the subaward?
2. Does the WDA have the following:
   * Written procedures and evaluation criteria for selecting subrecipients?
   * Policies for monitoring subrecipient?
3. Does the risk-based approach include evaluation of the following:
   * Financial stability?
   * Quality of management systems and ability to meet management standards?
   * History of performance?
   * Ability to effectively implement statutory, regulatory, and other requirements?
   * Findings and questioned costs from past monitoring reports?
4. As a result of the review of risk posed by potential subrecipients, did the WDA place any specific awards conditions as described in 2 CFR 200.208?
5. Does the WDA have procedures in place to check if the sub awardee/subrecipient is not debarred or a suspended party prior to making a subaward?
6. Does the WDA check SAM.gov as part of the process?

## SUBRECIPIENT MONITORING

[2 CFR 200.332, 20 CFR 683.410(b)]

1. Does the WDA have policies and procedures, tools and guides, and resources and methods in place for monitoring and oversight?
2. Does the WDA perform required financial monitoring of the subrecipient to ensure the award is used for authorized purposes in accordance with WIOA statue and Uniform Guidance?
3. Did any subrecipient(s) expending $1,000,000 or more in federal awards have a single or program-specific audit performed?

* Does the WDA require subrecipients to submit annual audit reports?
* As part of its monitoring responsibilities:
  + Did the WDA follow up with any proposed corrective action(s) on outstanding WIOA-related audit findings?
  + How does the WDA ensure corrective actions are resolved timely?

1. Does the WDA issue monitoring reports?
2. Was a risk assessment incorporated into monitoring activities?

# 5. RECORDS MANAGEMENT

## RECORDS RETENTION

[2CFR 200.334, 2 CFR 200.335, 2 CFR 2900.18]

***Note:*** *Record Retention (3-year max) and Record Relocation are allowable expenses.*

1. Has the WDA properly identified all financial records, supporting documents, statistical records, and all other records pertinent to the Federal award that must be retained?
2. Does the WDA have record retention policies that meet the requirements of applicable Federal laws and regulations?
3. Does the WDA have a designated staff person with custodian of record duties?

# 6. PERSONNEL

## PERSONNEL POLICY AND PROCEDURES

[2 CFR 200.430(a)(1)(2), 2 CFR 200.430(b), 2 CFR 200.431]

1. Does the WDA have written policies and/or procedures for personnel and/or an employee handbook?
2. Do policies and practices appear to be reasonable and in compliance with applicable local and federal laws and regulations governing employment?
3. Evaluate leave time to see if its appropriately reflected in the account.
4. Does the WDA appropriately secure sensitive and confidential information collected and retained for the purposes of the grant award, including restricted access limited to necessary personnel?

## STAFF POSITIONS, SALARIES AND ORG CHARTS

[2 CFR 200.113, 2 CFR 200.431, 2 CFR 200.430(f), TEGL 2-12, 20 CFR 683.620, 234, Public Laws 111-117]

1. Are bonuses, raises, leave practices, etc. covered in written personnel policies?
2. Validate the compensation packages for top three earners in the WDA.
   * For funds appropriated under DOL-ETA appropriations only, are salaries and bonuses paid from grant funds in compliance with the salary and bonus limitation of the Executive Level II on the Federal Executive pay scale ($221,900 for 2024)?
3. Does the WDA pay incentive compensation?
4. How often are wage increases issued?
   * Are wages increased based on: cost of living adjustments or performance reviews?
5. Was there an agreement between the WDA and the employee entered into before services were rendered (employment at will) or do employees sign contracts at the time of hire?
6. Is the WDA's organization chart up to date?

## TIMECARDS AND TRAVEL EXPENSE REPORTS

[2 CFR 200.430(b), 2 CFR 200.475]

1. Is time charging reflective of employee job descriptions?
2. Are all travel costs incurred in accordance with 2 CFR 200.475 travel costs?
   * Review travel expense reports for employees. Does the WDA use the prevailing IRS mileage rate?
   * Does the WDA have a per-diem established for meals?
   * Are itemized receipts required if no per-diem rate is set?
   * Does the travel policy include a statement that restricts the purchase of alcohol?
3. Do Board members get reimbursed for any travel expenses (mileage, per-diem per meeting)?

1. Were timesheets prepared timely and signed by both the employee and supervisor?
   * If this process is done electronically, does it allow for an approval process?
   * Does the approval process follow the WDA's policy/procedure?
2. Is 100%-time reporting required for all staff or is a survey system in place?

* + If a survey system is used, is it updated regularly?
  + Is the period sampled reflective of overall program activity?
  + Does policy meet practice, is signoff done per policy?

1. Track a payroll beginning with employee timesheets, recalculate time allocation to each grant, apply allocation to paystub amounts and trace to general ledger accounts to verify that the payroll calculated is accurately being charged to each grant.

# 7. INTERNAL CONTROLS

1. Is access to the financial system limited to appropriate personnel?
2. Is there proper segregation of duties between individual(s) that complete the financial report and supervisor(s) that review the data entered?
   * Verify that not one individual is responsible for authorization, receipt, disbursement, access, and reconciliation.

***Note:*** *The individual doing the cash drawdowns should be different than the individual approving the draws.*

1. How does the WDA safeguard the following assets:
   * Blank checks - Where are blank checks stored and who has access to them?
   * Signature stamps - Where are they stored and who has access?
     1. What are signature stamps used for (signing checks, memos, letters, etc.)?
2. Does the WDA maintain an inventory of assets such as bus tokens, gas cards, and debit cards?
   * How are these safeguarded and tracked to prevent unauthorized use?
   * How often is an inventory of these assets performed?
3. Do any staff have corporate credit cards on which WIOA expenses are charged?
   * How are corporate credit cards safeguarded and tracked to prevent unauthorized use?

# 8. WRITTEN POLICIES AND PROCEDURES

1. Are the following written policies and/or procedures per the Uniform Guidance in place?

* Payments and accounts payable - 2 CFR 200.302(b)(6)
* Allowable Costs - 2 CFR 200.302(b)(7)
* Procurement - 2 CFR 200.318
* Competition - 2 CFR 200.319
* Method for Evaluation and Selection - 2 CFR 200.320
* Compensation—Personal Services - 2 CFR 200.430
* Compensation—Fringe Benefits - 2 CFR 200.431
* Travel Costs - 2 CFR 200.475
* Match and leveraged resources (Required by DWD).

1. Other written policies and procedures that are part of a portfolio of sound grant management practices include the following, which are recommended but not required:
   * Chart of accounts and accounting system
   * Budget controls and modifications
   * Grant revenues/receivables
   * Audits and audit resolution
   * Financial reporting
   * Cash management and bank reconciliations
   * Program and interest income
   * Financial incident reporting
   * Subrecipient monitoring and risk assessment
   * Property/equipment management
   * Record retention
   * Board of Directors policy and procedures
   * Standards of conduct and conflict of interest.

# 9. ACCOUNTING SYSTEM AND CASH MANAGEMENT

[2 CFR 200.305(b), 2 CFR 200.302(b)(4) 2 CFR 2900.7]

1. Does the WDA have policies and procedures in place to minimize cash on hand?
2. What is the mechanism or tool used by the WDA to determine the amount of cash to draw down?
3. Compare cash reimbursements from STAR with FSR expenditures.
4. Do financial statements provide evidence that accrual accounting is being used by the WDA?
5. Were the cash drawdowns approved and reviewed by an appropriate manager?
   * Was cash drawn down for immediate use (three days or less)?

***Note:*** *Compare the WIOA drawdowns for one month to WIOA expenditures for the same month. Ask the WDA for a summary of their drawdowns and expenditures for one month. Keep in mind that drawdowns should lag reported accrued expenditures. If the WDA has a subrecipient, request evidence that the grantee is monitoring the cash management activities of their subrecipients. [2 CFR 200.415 Certifications].*

1. Is there a reconciliation performed between the cash drawdowns and the expenditures?
   * Is the reconciliation performed and reviewed monthly?
2. Review the bank reconciliations for June 2025 to determine controls. Is the WDA following its policy on preparation and approval of back recs?

* + Who reviews the bank reconciliations?
  + Does the WDA void outstanding checks after a reasonable period?
  + Does the cash amount on the bank reconciliation match the cash balance stated on the balance sheet for the month?
  + Was the bank reconciliation reviewed, signed, and dated by management (best practice)?

1. Does the WDA have policies in place for payment of non-sufficient funds, overdraft fees, and other penalties which cannot be paid using federal funds?
2. Does the WDA have policies and/or procedures in place to identify and recapture improper payments? (ex. duplicate payments, payments to an ineligible party, payment for an ineligible goods/service or payment for a good or service not received).
   * If improper payments were recaptured, was the WDA consistent in the treatment of the federal dollars used to recover improper payments?

***Note:*** *The costs incurred by the WDA to recover improper payments are allowable as either direct or indirect costs, as appropriate.*

# 10. FINANCIAL REPORTING

## Financial Status Report

[2 CFR 200.307(e)(1), 2 CFR 200.302(b)(3), 2 CFR 200.332(d)(1), 2 CFR 200.306(b), WIOA 20 CFR 683.205]

1. Review the COMET Monthly Financial Status Report (FSR).
   * Are the following memo codes being reported for the **Adult** grant?
     + 35% Direct Cost Services Expenditure Goal.
       - Did the WDA meet this goal for PY23?
       - Is the WDA on track to meet this goal for PY24?
     + Incumbent Worker Training.
     + Pay for Performance (required only if running program).
     + Transitional Jobs.
     + Leverage Funds.
       - What is the methodology used to calculate leverage?
       - Is it documented in policy and/or procedures?
     + Individual Training Accounts
   * Are the following memo codes being reported for the **DLW** grant?
     + 35% Direct Cost Services Expenditure Goal.
       - Did the WDA meet this goal for PY23?
       - Is the WDA on track to meet this goal for PY24?
     + Leverage Funds.
       - What is the methodology used to calculate leverage?
       - Is it documented in policy and/or procedures?
     + Individual Training Accounts.
   * Are the following memo codes being reported for the **Youth** grant?
     + 20% Work Experience Requirement
       - Did the WDA meet this requirement for PY23?
       - Is the WDA on track to meet this requirement for PY24?
     + 35% Direct Cost Services Expenditure Goal.
     + Youth In-School Training.
     + Youth Out-of-School Training.
     + Leverage Funds.
       - What is the methodology used to calculate leverage?
       - Is it documented in policy and/or procedures?
     + Individual Training Accounts.
   * If applicable, are unliquidated obligations being reported for the **Admin** grant?
     + Are they liquidated as contract payments are made?

***Note:*** *Unliquidated obligations are not to be reported for in-house administrative costs. Are unliquidated obligations supported by signed contracts?*

*Check to make sure that the unliquidated obligations are handled correctly for leases, and obligations are not included that go beyond what the escape clause allows*.

* + Are admin activities being improperly classified as program activities?
    - Review a transaction listing for WIOA Admin, Adult, DLW, and Youth fund for June 2025.

1. Program Income: Review the general ledger.
   * Does the WDA generate program income, and is it reported timely?
   * Does the policy describe how Program Income funds will be treated?
   * Are Program expenses reported the same month as Program Income?
   * Does the WDA and its sub recipients use cash generated by program activities before the grant expires?
   * If applicable, does the Job Fair account show all revenue and expenses?
2. Are monthly FSRs being submitted on a timely basis? (See internal FSR tracking document).

# 11. ALLOWABLE COSTS AND COST CLASSIFICATION

[20 CFR 683.215, 2 CFR 200.302(b)(7), 2 CFR 200.403]

## VOUCHER TESTING

1. Select a sample of transactions from the general ledgers or check register and send the selection to the WDA.

* 25 training (tuition)
* 25 supportive service payments (books, student fees, exam fees, transportation, daycare, needs related, tools, etc.)
* 5 cost allocation expenses (rent, supplies, utilities, audit expenses, RFP expenses and 401K administration expenses)
* 3 sub award payments
* 10 FORWD grant, if applicable
* 5 Rapid Response Annual Allotment
* 5 Rapid Response Dislocation grant transactions- if applicable**\*(**maximum transactions per grant)
* 5 Rapid Response Additional Assistance grant transactions - if applicable**\*(**maximum transactions per grant)
* 10 QUEST grant transactions- if applicable
* 10 WAI grant transactions- if applicable

***Note:*** *For the first two bullets, training and supportive service payments, lookup the selected participants in ASSET to verify that they were enrolled in WIOA. Follow up on any variances.*

1. From the spreadsheet completed to test transactions, did all the expenses reviewed meet the [2 CFR 200.403](https://www.law.cornell.edu/cfr/text/2/200.403) factors affecting allowability of costs?
2. Review credit card statements for September 2024 and June 2025.

* Are late fees noted for the month or year-to-date?
* Is interest on the credit cards charged to federal grants?

# 12. COST ALLOCATION/INDIRECT COST PLAN

[2 CFR 200.416]

1. Does the WDA have a Cost Allocation Plan?
2. Review the allocation working document/template for September 2024.
   * Is the cost allocation working document/template updated as grants are added/ended?
   * Does the WDA allocate shared costs in accordance with its CAP?
   * What is the basis for the cost allocation plan currently being used i.e. actual hours/time study, wages, customer count, square footage?
   * Is it reduced to zero monthly?
3. Review the June 30, 2025 trial balance. Does the WDA charge the following to WIOA Admin:
   * + Audit expenses
     + Accounting, budgeting, financial and cash management functions
     + Procurement and purchasing functions
     + Property management functions
     + Personnel management functions
     + Payroll functions and 401K Administration expenses
     + Coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports
     + Audit functions
     + General legal services functions
     + Developing systems and procedures, including information systems, required for these administrative functions
     + Fiscal agent responsibilities
     + Performing oversight and monitoring responsibilities related to WIOA administrative functions.

***Note:*** *These expenses cannot be charged to WIOA Adult, DLW, Rapid Response, and Youth programs.*

1. Does the Grantee have a Negotiated Indirect Cost Rate Agreement (NICRA)?

***Note:*** *Currently, WDA 2 has a NICRA (Beginning 7/1/2024)*

1. Does the WDA use the De Minimis Rate?

* + Did the WDA correctly calculate the MTDC?
  + Did the WDA correctly apply 10% to the MTDC base for grants issued before 10/1/2024?
  + Did the WDA correctly apply 15% to the MTDC base for grants issued on or after 10/1/2024?

# 13. AUDITS AND AUDIT RESOLUTIONS

[2 CFR 200.501, 2 CFR 2900.3 and 2 CFR 2900.21]

1. Was an audit completed no later than nine months after the end of the WDA’s fiscal year?
2. Does the WDA have a corporate account?
   * If yes, what is the balance of that account as listed in the audited financial statement?
3. Examine the Schedule of Findings and Questioned Costs. Are the following identified:
   * Material weaknesses?
   * Significant deficiencies?
   * Federal award findings?
   * Federal award questioned costs?
4. If there are issues identified on the Schedule of Findings and Questioned Costs, what is the current corrective action plan employed by the WDA to resolve these matters?
5. Review the note sections to document any concerns noted by the auditors.