

**Review Guide for
National Emergency Grants and
Disaster Projects**

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Employment and Training Administration

Table of Contents

General Instructions	1
INTRODUCTION	1
PURPOSE OF NATIONAL EMERGENCY GRANTS.....	1
REVIEW OBJECTIVES FOR REGULAR NEG AND DISASTER NEG PROJECTS	2
KEY ASSUMPTIONS FOR DISASTER NEGs	2
USE OF THE GUIDE ONSITE.....	4
RESOURCES FOR DISASTER PROJECT REVIEW	5
SUPPLEMENTAL MATERIALS.....	5
APPENDIX.....	5
CORE ACTIVITY 1: DESIGN AND GOVERNANCE	6
OBJECTIVE 1.1 – Strategic Planning:.....	7
OBJECTIVE 1.2 – Service Design:.....	10
OBJECTIVE 1.3 – Program Integration	12
CORE ACTIVITY 2: PROGRAM AND GRANT MANAGEMENT SYSTEMS	13
OBJECTIVE 2.1 Administrative Controls.....	14
OBJECTIVE 2.2 Personnel	17
OBJECTIVE 2.3 Civil Rights.....	20
OBJECTIVE 2.5 Match	22
OBJECTIVE 2.6 Equipment.....	23
OBJECTIVE 2.7 Procurement.....	25
OBJECTIVE 2.8 Audit and Audit Resolution	27
OBJECTIVE 2.9 Reporting Systems	29
OBJECTIVE 2.10 WIA Waivers	31
CORE ACTIVITY 3: FINANCIAL MANAGEMENT SYSTEMS.....	32
OBJECTIVE 3.1 Budget Controls.....	33
OBJECTIVE 3.2 Cash Management	35
OBJECTIVE 3.3 Program Income.....	36
OBJECTIVE 3.4 Cost Allocation	37
OBJECTIVE 3.5 Allowable Costs.....	39
OBJECTIVE 3.6 Internal Controls	40
OBJECTIVE 3.7 Financial Reporting	42
OBJECTIVE 3.8 Fund Availability	43
CORE ACTIVITY 4: SERVICE DELIVERY	44
OBJECTIVE 4.1 – Operating Systems	45
OBJECTIVE 4.2 – Participant Files	49
OBJECTIVE 4.3 – High Growth Jobs	54
OBJECTIVE 4.6 - Temporary Jobs	56
CORE ACTIVITY 5: PERFORMANCE ACCOUNTABILITY	60
OBJECTIVE 5.1 – Service Goals.....	61
OBJECTIVE 5.2 – Performance Outcomes.....	66
OBJECTIVE 5.3 – Subrecipient Performance.....	68
Appendix.....	70
Oversight of Disaster NEG Grants.....	70

General Instructions

INTRODUCTION

This REVIEW GUIDE FOR NEG PROJECTS is comprised of both a NEG and a Disaster NEG supplement to the *Core Monitoring Guide* ETA issued in April 2005. Because many of the review objectives and indicators contained in the *Core Monitoring Guide* are also relevant to the review of National Emergency Grant Projects, the *Core Monitoring Guide* was used as the basis for development. The specific review objectives and indicators from the *Core Monitoring Guide* that were determined to be relevant to NEG projects appear in this guide along with additional Federal Project Officer (FPO) guidance specific to NEG reviews. They maintain the same numbering system as in the *Core Monitoring Guide*.

Added to these relevant review objectives and indicators from the *Core Monitoring Guide* are new review objectives, indicators and guidance applicable to NEG projects in general, as well as additional content that is applicable only to disaster NEG projects. The FPO may also include other objectives and indicators from the *Core Monitoring Guide* that are relevant to NEG and disaster NEG reviews as appropriate, including special provisions contained in the specific Grant Award Letter or modification thereto, any NEG policy issuances, etc.

This REVIEW GUIDE FOR NEG PROJECTS provides FPOs in ETA regional offices, as well as state and local level reviewers, with an on-site monitoring tool tailored to the unique circumstances of NEG projects. The approach will help ensure that on-site monitoring is thorough, of high quality, and consistent nationally. The tool is intended to be used in the oversight of all phases of a NEG project. Based on the timing of the review and the circumstances of the emergency, the reviewer will utilize those sections of the review guide applicable at the time of the review.

PURPOSE OF NATIONAL EMERGENCY GRANTS

NEG grants are discretionary awards made by the Secretary of Labor to provide resources to states for the purpose of responding to large worker dislocations. A Disaster NEG grant is a special type of NEG grant awarded to states to respond to disasters declared by the Federal Emergency Management Agency (FEMA) as eligible for public assistance pursuant to WIA Section 173 (a)(2) and Section 173(d). These grants provide resources to fund short-term, temporary disaster relief employment to assist communities in recovering from the disaster by working on (1) projects that provide food, clothing, shelter, and other humanitarian assistance for disaster victims; and (2) projects at public worksites to conduct demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed public structures, facilities, and lands located within the disaster area. Some reconstruction or repair work may be performed on the private residences of low-income individuals as authorized in the grant award letter.

Individuals who may be eligible participants in NEG disaster projects vary from a “regular” NEG project and are: (1) individuals who were temporarily or permanently dislocated as a result of the covered disaster; (2) other eligible dislocated workers as defined in WIA section 101(9) and who are unemployed; and (3) the long-term unemployed as defined by the Governor. A NEG disaster project may also provide employment and training activities, where formula resources are not sufficient to ensure that participants are able to find and qualify for unsubsidized jobs.

Unlike “regular” NEG projects, the state is always both the grantee and the project operator for disaster grants. Local areas and other entities are service providers or contractors. In many instances, several local areas

are impacted by disasters and the operational role of the state is critical to ensure that funds can be moved between areas quickly in order to both utilize funds effectively and efficiently and to ensure resources are where they are needed when they are needed. FEMA may make public assistance declarations that cover additional areas subsequent to the initial determination. NEG disaster award letters authorize states to cover such additional areas without a modification to the grant prior to providing assistance, so this flexibility on the part of the grantee is paramount in rapidly responding to events as they change.

REVIEW OBJECTIVES FOR REGULAR NEG AND DISASTER NEG PROJECTS

The on-site review of NEG and Disaster NEG grants encompasses elements of progress evaluation, eligibility and verification, program and financial reporting, compliance monitoring, and technical assistance. Specifically, the review has five principal objectives:

- a. Evaluate the efficacy of the actions taken by the grantee to utilize the resources made available under the grant to respond to immediate needs caused by the dislocation or disaster;
- b. Evaluate the likelihood that the project will achieve the enrollment targets, expenditure levels and performance outcomes specified in the grant award; and an independent analysis of the timeframe required to complete the grant-related work;
- c. Identify any policies, procedures or actions that conflict with the Act, the regulations, the grant agreement, NEG policies, or other applicable requirements, or that could place the grantee at risk of disallowed costs;
- d. Develop an analysis of projected increments of funding that will be needed to complete the project up to the maximum amount approved, including whether it appears the maximum amount approved will be required based upon the project progress to date; and
- e. Develop a plan for meeting technical assistance needs and/or implementing appropriate corrective actions.

KEY ASSUMPTIONS FOR DISASTER NEGs

This REVIEW GUIDE FOR NEG PROJECTS incorporates a number of assumptions concerning processes and timeframes applicable to NEGs awarded for disaster projects. Being aware of these assumptions will help FPOs make appropriate adjustments when the circumstances of a particular project are different from those described here.

- *Emergency and Additional Funding* – Almost all disaster project awards are funded in three phases:
 1. Initial funding in response to an emergency request to initiate project operations. This funding is generally limited to no more than 30 percent of the total funds estimated to be needed in the emergency application. The estimated need may vary from the amount requested by a state.
 2. Additional funding may be requested and released upon approval of a full application submitted by the grantee, which includes a justification that additional funds are required, e.g., accrued expenditures of 70% of funds previously awarded for the disaster project; enrollments are on target, etc.
 3. Additional funds, up to the approved grant award amount, upon the FPO's determination that additional increments are needed as evidenced by enrollment and expenditure levels, status of temporary jobs, and workforce development services being undertaken.

- *Project Operating Plan* – Grantees are required to submit a complete Project Operating Plan for Regional Office review within either 90 calendar days of receiving an emergency grant award, or within 60 calendar days of approval of a full application submitted in response to an emergency award.
- *Stable Enrollments* – For disaster projects, enrollments are expected to occur quickly in order that the work to be undertaken to respond to the disaster and the goals of the temporary jobs can be accomplished as quickly as possible. The type of disaster and the effect on the community(ies) will have a bearing on this. During this period, all participants in temporary jobs have ordinarily been enrolled, the full scope of required work has been determined, and the assessment of the participants’ employment-related needs in the temporary job will have been provided. In many instances, temporary jobs and employment services can be concurrent. Where formula funds are available, participants will be co-enrolled for additional workforce development services.
- *On-site Review Sequence* – Unlike regular NEG projects, when the initial FPO review generally occurs after projects have been operational for about six months, reviews of NEG disaster projects occur in phases due to the emergency nature of the events and the responses required. These review phases generally correspond to the four distinctive phases of the project itself, from initial assessment and planning through project completion. In the “Crosswalk” included as an appendix to this guide, the phases of the onsite reviews are identified in greater detail.

a. Assessment and Planning

- Strategic planning and coordination efforts
- Organization and staffing plan
- Development of appropriate policies
- Oversight plan
- Fully documented plan/application to replace original emergency application

b. Project Implementation

- Allocation of funds to the local areas and reallocation procedures established
- Written agreements between the local area(s) and the state
- Written worksite agreements that establish types of jobs, wages including any increases, overtime allowances, time sheet approval and submission, pay dates, etc.
- The local areas have
 - Begun enrolling individuals into the project and started clean-up and recovery efforts
 - Established work sites and estimated the number of participants who will be needed for each worksite
 - Established participant implementation schedules
 - Established appropriate health and safety training plans for the participants, including the provision of appropriate safety equipment
 - Conducted a Workforce Information analysis to identify the high-growth jobs in demand
 - Planned for the provision of workforce services and training to project participants
- Timely and accurate financial, NEG and WIA Standardized Record Data (WIASRD) reporting
- Coordination with the state Emergency Management Agency (EMA) and FEMA, Red Cross, community leaders and other stakeholders in recovery efforts
- State preparation of project operating plan

- Activation of internal control systems at state and local levels
- c. Project Stability
- Managing/reallocating funds
 - Incremental funding needs determined
 - Local area implementation plans are on schedule
 - Technical assistance and monitoring activities being conducted
 - Continued provision of workforce services and training to project participants
- d. Project Completion
- Continued transition of participants to unsubsidized employment, including returning back to their jobs those who were temporarily dislocated due to the disaster
 - Achieving outcomes and earnings goals
 - Strategic and long-term economic planning
 - Audit and audit resolution

USE OF THE GUIDE ON-SITE

The REVIEW GUIDE FOR NEG PROJECTS should be used by Federal and other review staff as a guide only. Reviewers should customize it as needed to fit the specific circumstances of each NEG project. This means that not all of the review objectives, indicators and FPO guidance included in this guide may be applicable to every NEG or disaster NEG project nor at all stages of the review process. There may be additional review objectives or indicators that are contained in the *Core Monitoring Guide* that will also be applicable to the review, or additional policy guidance or actions required as the result of OIG reviews may affect the content of the review. The reviewer should also refer to the various resources provided in the “Tool Box” and use them, as appropriate, to assist in conducting the review.

The term “project operator” appears throughout this guide. Depending on the context, as indicated above, the “project operator” for NEG disaster grants will generally be the state/grantee. However, a local entity may be the one who is primarily responsible for a given activity. For regular NEG projects, the project operator is ordinarily the local workforce investment board, or an entity designated by the LWIB. For the most part, the entity for which a specific review objective or indicator is targeted should be clear to the users of this guide. In some instances, an annotation may be included in parentheses following the term “project operator” to provide additional clarity. The results of the review (exit interview) should be conducted with the grantee, since that is the entity responsible for the entirety of the grant/project. A single project may have more than one grant award, but the project number remains the same for WIASRD and program reporting.

Because the REVIEW GUIDE FOR NEG PROJECTS identifies the standards Federal reviewers will use for NEG project 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 NEG projects.

The review objectives and indicators contained in this guide cascade down from one grant level to the next. That is, review guidance from the *Core Monitoring Guide* will apply to most NEG projects, while most requirements for NEG regular projects will also apply to NEG disaster projects.

Users of this guide are encouraged to consult the *Core Monitoring Guide* as needed and to include the appropriate objectives and indicators from the *Core Monitoring Guide* as needed to finalize reviews. The *Core Monitoring Guide* also contains appendices related to administrative requirements and allowable costs that should also be used for NEG/Disaster reviews.

RESOURCES FOR DISASTER PROJECT REVIEW

Following are resources relevant to NEG disaster project reviews. The reviewer should become knowledgeable of the requirements specified in these documents.

- NEG Grant Award Document, and modifications
- General Conditions and Questions/Answers for Disaster Projects (attached to grant award letter to be part of the official grant file in the grantee's records). If these are not attached, the Grant Officer should be notified so they can be incorporated.
- WIA Sec. 173(a)(2) and 173(d)
- For Katrina and other 2005 Gulf Coast NEG disaster projects only: Flexibility for Dislocated Workers Act, P.L. 109-72 (as amended)
- 20 CFR 671.110(e), 671.130(c), 671.150, 671.160, 671.170
- TEGL 16-03, January 2004
- TEGL 16-03, Change 3 (and any other changes that relate to disaster grant policy)
- NEG Application Procedures, April 27, 2004
- TEGL 16-99 and 16-99, Change 1
- TEGL 14-03
- TEGL 17-05
- TEGL 3-03

SUPPLEMENTAL MATERIALS

Specific tools and materials have been developed to assist reviewers in completing this REVIEW GUIDE FOR NEG PROJECTS. 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 completion of the Guide itself. These tools may be found in a supplemental "toolbox" as the tools are applicable for use in a number of different reviews.

APPENDIX

A crosswalk of project stages and review times with appropriate sections of the guide is contained in the appendix to this Guide.

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	

OBJECTIVE 1.1 – Strategic Planning: Grantee organization has developed a strategic approach to meeting business and industry’s needs for a prepared and competitive workforce and becoming a demand-driven organization.

Tools Directory:

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. (E)

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

1.1.5 State and local plans and policies addressing job dislocations reflect regional strategies and approaches designed to develop and foster regional economies.

Core Monitoring Guide

Regular NEG Grants

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. (E)

Interview grantee management.

Core Monitoring Guide

NEG Disaster Grants

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

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

Review the state’s actions to date, the grant agreement, including applicable modifications, and the Project Operating Plan, if available, to identify key strategic elements of the approach to grant-funded services.

- What policies, requirements or other means has the state used to assure that participants completing their temporary job assignments will receive workforce services designed to maximize long-term career opportunities for participants where possible?
- Does the temporary job assignment process used locally attempt to link a temporary job and an occupation in which a long-term demand is expected to exist in the future where this is possible? Has a plan to ultimately provide training for long-term

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?

opportunities been integrated into this process?

- Do planned or implemented projects for community and economic recovery anticipate workforce investment activities that bridge from any temporary employment to high-demand jobs if possible?
- To what extent is the grantee making longer-term economic recovery plans that include stimulating the development of high-growth jobs of the future, and the preparation of the workforce for those jobs of the future?

Sources and Notes:

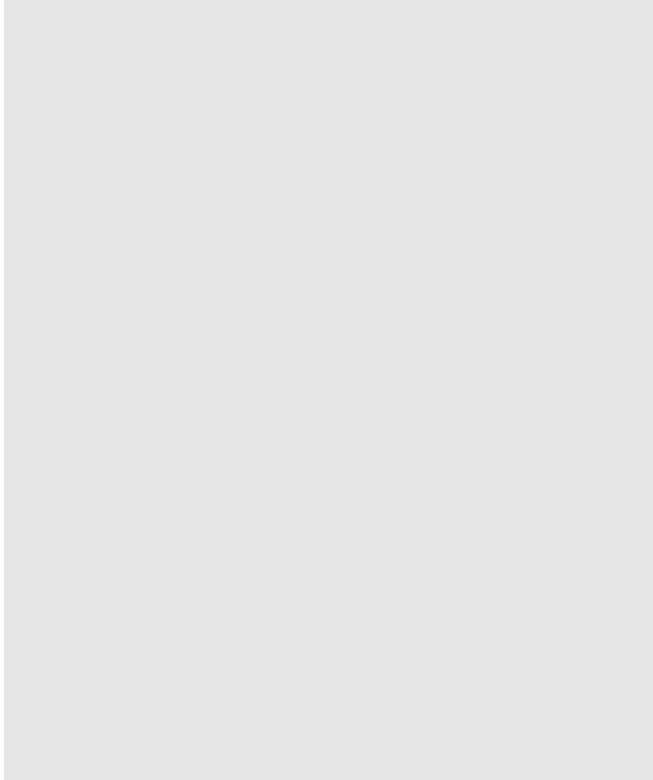
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Regular NEG Grants

1.1.5 State and local plans and policies addressing job dislocations reflect regional strategies and approaches designed to develop and foster regional economies.

Review the grantee's NEG application and its policies and procedures for providing Rapid Response and NEG-funded services to dislocated workers and affected employers. Interview grantee management.

- Have the Local Workforce Investment Boards within the economic region of the dislocation event collaborated to develop a coordinated and regional approach to serving the dislocated workers and affected employers?
- In planning its response to the dislocation event, has the grantee partnered with business, labor, education, economic development, and workforce development organizations throughout the region to drive spending decisions and leverage resources?
- Through an analysis of workforce information, business surveys, or other means, has the grantee identified employers and jobs in the region that are growing and which could be filled by the workers being dislocated?



- Through worker surveys, skill gap analyses, or other means, has the grantee identified the training needs of the affected workers in order to prepare them for the available jobs in the region?
- Has the grantee collaborated with post-secondary educational institutions to provide training courses that are customized to bridge the skill gaps of the dislocated workers and qualify them for unfilled jobs with employers in the region?
- Has the grantee's strategy targeted small businesses as a primary source of new jobs in the regional economy?
- Was a labor-management committee or a workforce transition committee formed? If so, what role has this entity played in designing an implementation strategy that responds to the reemployment needs of the workers?

Sources and Notes:

OBJECTIVE 1.2 – Service Design: The grantee organization has designed a service delivery system to accomplish its strategy objectives for becoming demand-driven.

Tools Directory:

1.2.5 The state's full grant application and the Project Operating Plan for an NEG Disaster Project provide for a coordinated and effective response to the disaster. E

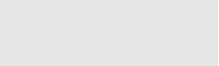
Core Guide

NEG Disaster Grants

1.2.5 The state's full grant application and the Project Operating Plan for an NEG Disaster Project provide for a coordinated and effective response to the disaster. E

Review the full grant application, Project Operating Plan, and grant award. Interview state and local staff involved in planning and implementing the initial program response. Refer to the “Project Operating Plan Review” in the Tool Box for additional guidance.

- Is the state on target to submit its full grant application within 60 days of the grant award? Does the application address all of the requirements contained in the April 27, 2004 Federal Register Notice?
- Is the state on target to submit its Project Operation Plan (POP) within either 90 calendar days of emergency grant award, or within 60 calendar days of approval of a full application submitted in response to an emergency award? Does the POP address all of the requirements contained in the April 27, 2004 Federal Register Notice?
- Have effective working relationships been established among FEMA, the state emergency assistance office, local project operators, educational agencies, economic development entities, and others to ensure coordination of response, effort, and project funding? Have all local project operators been identified in the NEG application or subsequently approved by the Grant Officer?
- Have the state and local areas worked with FEMA and the state EMA to identify which projects will be funded by FEMA and which will be funded through the NEG? Has this included an assessment of equipment needs?
- Has a network of project operators and service providers matched to project needs been established and is it functioning effectively?
- Have effective community-based planning efforts involving local project operators, local governments, and other entities been put into place to establish priority needs?
- Have the local areas provided timely and appropriate information to the state for its development of the fully documented plan and project operating plan? Do the numbers on service levels and funding at the local level add up to the totals that the state is incorporating into its plans?
- Are the specific projects being planned, or already being implemented, for community and economic recovery?
- Do the participant recruitment, enrollment and training actions, and schedule demonstrate a timely intervention and response to the needs for which the disaster grant was awarded?



Sources and Notes:

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.

Tools Directory:

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

Core Monitoring Guide

Regular NEG Grants

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

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.

Determine the extent to which and how NEG program services are integrated with services provided via formula grants to promote service access, increase effectiveness, and avoid duplication of funding.

- Do NEG project grantees coordinate their response efforts and program activities with those provided through WIA formula grants in order to increase effectiveness, assure that participants obtain access to all services they need, provide training opportunities for participants to qualify for permanent jobs, and avoid misuse of funds due to duplication?
- Do the state’s and local area’s co-enrollment policies promote enrollment in both the formula grant and the NEG program grant so that participants may obtain services available through both programs if needed?

Sources and Notes:

CORE ACTIVITY 2 PROGRAM AND GRANT MANAGEMENT SYSTEMS

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	

OBJECTIVE 2.1 Administrative Controls: Administrative Controls are sufficient to ensure grant integrity [29 CFR 97.40; 29 CFR Part 95].

Tools Directory:

- 2.1.1 The organization maintains policies and procedures for core management functions and program operations. C
- 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 sub recipient monitoring. E
- 2.1.3 The organization maintains written documentation including monitoring reports, findings, corrective actions, and resolutions for each grant monitored. E
- 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

Core Monitoring Guide

Regular NEG Grants

- 2.1.1 The organization maintains policies and procedures for core management functions and program operations. C

Interview the primary staff responsible for the development and issuance of policy.

- 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?

- Has the state developed and effectively communicated project requirements through the distribution of written policies and procedures?
- Are these policies consistent with the terms of the grant, including any waivers?
- What steps has the state taken to ensure that project operators are aware of these policies and procedures?
- What mechanisms has the state established to assure that local program operators and service providers are using and complying with these policies and procedures?
- What does the state do to ensure that internal controls reach the local program operator level?
- Has technical assistance been provided to local project operators?
- What is the policy for ensuring that technical assistance is available to all levels?

NEG Disaster Grants

Review the NEG disaster grant award and any modifications. Note any waivers made in the grant which may impact the policies in place at the grantee. Review the grantee’s policies related to NEG disaster projects.

- Is there an overall organizational disaster recovery plan

(for continuation of the project operating plan)?

- Are the state’s policies flexible enough to enable local project operators to transfer funds among direct service providers to avoid temporary funding shortages?

Sources and Notes:

Core Monitoring Guide	NEG Disaster Grants
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 sub recipient monitoring. E	

Review monitoring tools, e.g., protocols, manuals, & general instructions that relate to program monitoring. Compare these documents to the grant goals & 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 sub recipients 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 sub grant SOW monitored on at least an annual basis?

- Does the state have in place and use appropriate procedures to monitor implementation and operation of the disaster project at the local level?
- Does the state have in place and use monitoring procedures that provide for timely identification of technical assistance needs at the local program level and the subsequent provision of technical assistance?

Sources and Notes:

Core Monitoring Guide	Regular NEG Grants
2.1.3 The organization maintains written documentation including monitoring reports, findings, corrective actions, and resolutions for each grant monitored. E	

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?

Sources and Notes:

Core Monitoring Guide

NEG Disaster Grants

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

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 reflect 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:

- Does the state have a policy for alternative record keeping as allowed by the Office of Management and Budget (OMB) (e.g., covering financial records, participant records, civil rights, property, etc.)?

Sources and Notes:

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 [OMB Circular A-87 Attachment A.2.a; OMB Circular A-122 Attachment A.2.a].

Tools Directory:

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

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

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

Core Monitoring Guide

Regular NEG Grants

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

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?

Sources and Notes:

Core Monitoring Guide

Regular
NEG Grants

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

Review the grantee organization chart. Inter-view the executive staff person responsible for the direction and management of the grantee organization.

- 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?
- 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:

Core Monitoring Guide

Regular
NEG Grants

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

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?

Sources and Notes:

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; Section 188 of the Workforce Investment Act; 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.

Tools Directory:

- 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
- 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, Equal Opportunity (EO), and Section 504 policies. C
- 2.3.3 The grantee location and facility, or part of the facility, is physically accessible to and usable by disabled individuals. C

Core Monitoring Guide

Regular NEG Grants

- 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

DOL financial assistance recipients must comply with these Federal civil rights laws:

- Title VI – Civil Rights Act of 1964
- Section 504 – Rehabilitation Act
- Title IX, Education Amendments Act of 1972
- Age Discrimination Act of 1975
- Section 188 of the Workforce Investment Act

Interview the grantee's EO officer and/or staff assigned responsibility for ensuring the organization's compliance with these laws. 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?
- 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:

Core Monitoring Guide

**Regular
NEG Grants**

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, Equal Opportunity (EO), and Section 504 policies. C

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 It's 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:

Core Monitoring Guide

**Regular
NEG Grants**

2.3.3 The grantee location and facility, or part of the facility, is physically accessible to and usable by disabled individuals. C

Do a walk-through of the grantee organization facility.

- Does the location and facility meet physical access requirements? (Refer to Appendix A to reference requirements.)

Sources and Notes

OBJECTIVE 2.5 Match: If applicable, policy and procedures to meet grant match requirements are met [27 CFR 95.23; 29 CFR 97.24]. When applicable, the organization provides for the use of leveraged resources.

Tools Directory:

2.5.1 Written policy and procedures that describe grant match requirements, allowable match, and methods for tracking match have been issued to all parties affected. C

2.5.2 When applicable, the organization maintains a system to calculate and track the use of leveraged resources. E

Core Monitoring Guide

Regular
NEG Grants

2.5.1 Written policy and procedures that describe grant match requirements, allowable match, and methods for tracking match have been issued to all parties affected. C

Review the grantee organization’s written policy and procedures for grant match and interview staff responsible for documenting match.

- Does the policy address match requirements, costs and contributions allowable to meet match requirements, and methodology for tracking and documenting match?
- Does it appear that the written match requirement policy and procedures reflect actual grantee organization practice?

Sources and Notes:

Core Monitoring Guide

Regular
NEG Grants

2.5.2 When applicable, the organization maintains a system to calculate and track the use of leveraged resources. E

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

- 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?

Sources and Notes:

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 *prior* to purchasing equipment. The grantee maintains a property management system in accordance with requirements [29 CFR 95.34 and 29 CFR 97.32].

Tools Directory:

2.6.1 The grantee has a system for the acquisition, management, and disposition of equipment purchased with grant funds. C

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. E

Core Monitoring Guide

Regular NEG Grants

2.6.1 The grantee has a system for the acquisition, management, and disposition of equipment purchased with grant funds. C

Review the organization’s policies and procedures on purchasing, managing, and disposing of equipment.

- Do they have policies and procedures? If not, how do they comply?
- Does the organization maintain an inventory of equipment purchased with ETA funds?

Sources and Notes:

Core Monitoring Guide

NEG Disaster Grants

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. E

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?

Review immediate disaster recovery and response efforts, the grant award, and the Project Operating Plan for an NEG Disaster Project, if available, to identify equipment needs related to the project. NOTE: Prior approval for equipment purchases must be obtained from the Federal grant officer.

- Are effective systems in place to ensure that all leased or purchased equipment, including heavy equipment purchases used for disaster relief work, is necessary, is obtained at reasonable prices, and is used only for project purposes?
- Are equipment leases or purchases consistent with the items needed as identified in the project operating plan?
- Was equipment leased or purchased for the project

available from other sources such as FEMA?

- If FEMA is not covering certain equipment costs, does the state/local area have a justification for using NEG funds for those equipment costs?
- (NOTE: FEMA and the State EMA generally agree on approved FEMA projects early in the recovery process; it is essential that local communities establish priorities for both FEMA-approved and non-FEMA-funded projects early in the recovery process and that non-FEMA-funded projects which need heavy equipment be identified with 30-45 days after the disaster event in order for the Grant Officer to review the appropriateness of the project for NEG funding.)
- Did the state conduct a cost-benefit analysis to compare the cost of leasing versus purchasing equipment over the time of the project or the period for which the equipment will be needed?

Sources and Notes:

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].

Tools Directory:

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

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

Core Monitoring Guide

Regular NEG Grants

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

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.

Sources and Notes:

Core Monitoring Guide	NEG Disaster Grants
2.7.2 The organization maintains a system for the administration of contracts, including appropriate contract or subrecipient clauses. C	
<p><i>Interview staff or members who are familiar with subgrant or subcontract processes. Ask for a copy of required contract and/or grant clauses.</i></p> <ul style="list-style-type: none"> • Does the organization have a boilerplate contract or subrecipient format? • Are the required clauses included? <p>Sources and Notes:</p>	<p><i>Review local project operator agreements established for NEG disaster projects. The first four NEG Disaster Project questions should also be asked of local project operators regarding their legal agreements with service providers.</i></p> <ul style="list-style-type: none"> • Has the state entered into agreements with all local project operators? Have the agreements been updated if project funding has been increased or the operating period extended? Do the amounts funded under these agreements, plus administrative fund set-asides, add up to the total funds awarded? • Do these agreements contain all required provisions, certifications and assurances, and are they consistent with the terms and conditions of the grant award, including any waivers granted, and the project operating plan? • Do local project operator agreements clearly reflect the scope of services to be performed, and are they supported by adequate staffing plans and budgets reflecting reasonable costs? • Does the agreement include expenditure and enrollment expectations by timeline? • Do local project operator agreements include provisions to enable local project operators to transfer funds among direct service providers expeditiously if needed based on priorities, expenditure levels, and to avoid funding shortage? • Do the agreements include provisions for de-funding local service providers of the project operator for lack of performance, including participant levels, services, and/or expenditures? • Are there worksite agreements in place? Are they clear in defining responsibilities for time sheets, supervision, and grievance procedures? • Are the worksites charged with performing work that is allowable under the grant? • Do the agreements specify responsibility for monitoring and oversight? • Does the system include procedures for closing out all local project operator agreements and service provider contracts? <p>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].

Tools
Directory:

- 2.8.1 The organization maintains a system for audit in compliance with OMB Circular A-133. C
- 2.8.2 The organization has a system in place to assure sub-recipient audits are conducted and resolved. C
- 2.8.3 The organization is aware of and has met the financial system requirements, including established processes for debt collection. C

Core Monitoring Guide

Regular
NEG Grants

2.8.1 The organization maintains a system for audit in compliance with OMB Circular A-133. C

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

- 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?

Sources and Notes:

Core Monitoring Guide

Regular NEG Grants

2.8.2 The organization has a system in place to assure sub-recipient audits are conducted and resolved. C

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 sub-recipients?
- What processes are followed to resolve sub-recipient audit findings?
- Does the organization have a tracking system in place to ensure that all required sub-recipient audits are received in a timely manner and resolved in accordance with audit requirements?

Sources and Notes:

Core Monitoring Guide

Regular NEG Grants

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

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:

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].

Tools Directory:

- 2.9.1 Federally-required reports are submitted within designated timeframes and are consistent with data in the Management Information System (MIS). C
- 2.9.2 The MIS produces periodic management reports related to project goals and the work plan. E
- 2.9.3 The MIS includes a data validation process to ensure accurate input of source data, including source documentation. E

Core Monitoring Guide

NEG Disaster Grants

2.9.1 Federally-required reports are submitted within designated timeframes and are consistent with data in the Management Information System (MIS). C

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 to ensure they are submitting accurate and complete reports electronically in a timely manner.

Review copies of bi-weekly reports prepared by the state. Also review completed quarterly ETA 9099 and quarterly ETA 9104s.

- 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.

- Is the state providing bi-weekly, monthly, and quarterly reports as required?
- Does the grantee submit its required disaster reports in a timely manner?
- If reports are not submitted in a timely manner, has technical assistance (TA) been provided to the grantee in the past? Have the results been effective?
- Do these reports accurately reflect state and local disaster recovery activities as they are currently happening?
- Are quarterly reports (ETA 9104 and 9099) submitted by the state consistent with bi-weekly status reports?
- Are the discrepancies, if any, between the reports justified and reasonable?
- Is WIASRD data being reported on NEG participants? Is the project number being recorded on its WIASRD reporting in the appropriate field?

Sources and Notes:

Core Monitoring Guide

Regular
NEG Grants

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

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?

Sources and Notes:

Core Monitoring Guide

Regular
NEG Grants

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

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:

OBJECTIVE 2.10 WIA Waivers: Grantee organization has fully implemented the ETA approved waiver of WIA provisions as specified in Sec 189(i)(4) or 192 of the Workforce Investment Act.

Tools Directory:

NEW OBJECTIVE

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

Core Monitoring Guide

NEG Disaster Grants

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

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.

- 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?
- If the waiver has not yet been fully implemented, is the grantee on schedule to fully implement the waiver and to do so 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 fully implement the waiver, what corrective actions is it taking to achieve this result?

- Does the waiver approval letter specifically address the applicability of the waiver for the NEG grant?
- Did the state describe its plans to use NEG funds to conduct such activities in its fully documented NEG project plan?
- Was a workflex waiver granted by the Grant Officer? If so, how does the grantee propose to implement its provisions?

Sources and Notes:

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	

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)].

Tools Directory:

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

3.1.2 Line item amounts are equal to or less than the amounts available in the line item budget for the approved project. C

Core Monitoring Guide

Regular NEG Grants

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

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:

Core
Guide

Regular NEG Grants

3.1.2 Line item amounts are equal to or less than the amounts available in the line item budget for the approved project. C

Analyze financial reports available for the project. The NEG guidelines published on April 27, 2004 indicate that expenditures for support services, needs-related payments (NRPs), or the administration of NRPs may not exceed the amount in the approved line item budget without a grant modification. State grantees may move funds out of these line items into other line items, and may redeploy other funds across other line items, without prior Grant Office approval, as long as these actions will not change the final cost-per-participant by more than ± 10 percent of the level approved for the project.

- Is the documentation of expenditures and obligations consistent with amounts listed in previous reports to ETA?
- Do any line item expenditures exceed allowable limits? If so, does the grantee intend to seek a grant modification to establish budget compliance?
- Given current expenditure patterns, is the project likely to exceed any line item budget categories in the future? If so, what actions will the state or the local project operator take to bring these expenditures within allowable limits? Do these steps appear adequate?

Sources and Notes:

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 95.20(b)(3) & 95.22].

Tools Directory:

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 sub-recipients to ensure that the sub-recipients conform to the same standards of timing and amount that apply to the grantees. C

Core Monitoring Guide

Regular NEG Grants

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 sub-recipients to ensure that the sub-recipients conform to the same standards of timing and amount that apply to the grantees. C

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 sub-recipient, request evidence that the grantee is monitoring the cash management activities of their sub-recipients.

- 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?

Sources and Notes:

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].

Tools Directory:

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

Core Monitoring Guide

Regular NEG Grants

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

Review the organization’s SF-269 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.

- 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 sub-recipients use cash from program income activities before requesting additional Federal grant funds (cash draw)?

Sources and Notes:

OBJECTIVE 3.4 Cost Allocation: The organization only allocates costs to the grant to the extent that a benefit was received [OMB Circular A-87 Attachment A; A-122 Attachment A; A-21 Section J].

Tools Directory:

- 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
- 3.4.2 The organization has written policies and procedures for distributing program costs, staff time, and general and administrative costs among programs. E
- 3.4.3 The organization has an approved indirect cost rate or cost allocation plan. C

Core Monitoring Guide	Regular NEG Grants
<p>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>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><i>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.</i></p> <ul style="list-style-type: none"> • 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? <p>Sources and Notes:</p>	<p><i>Review the grantee’s cost allocation plan for the NEG project.</i></p> <ul style="list-style-type: none"> • Does the grantee’s written cost allocation plan provide a reasonable basis for allocating costs to the NEG grant based on benefit received? • Does the grantee allocate costs in accordance with its written plan? • How does the project operator charge the NEG for administrative costs and for program “overhead” costs such as facilities rent, utilities, maintenance, communication, etc.? If it uses a cost allocation basis, does it have a written cost allocation plan? What is the basis for allocating costs? Does this appear reasonable? Does it appear that costs are allocated to the NEG in proportion to the benefits received by the NEG? <p>Sources and Notes:</p>

Core Monitoring Guide

Regular NEG Grants

3.4.2 The organization has written policies and procedures for distributing program costs, staff time, and general and administrative costs among programs. E

Review the organization's written policies and procedures for distributing program costs, staff time, and general and administrative costs among programs.

- Does the organization maintain written policies and procedures for distributing program costs, staff time, and general and administrative costs among programs?

Sources and Notes:

Core Monitoring Guide

Regular NEG Grants

3.4.3 The organization has an approved indirect cost rate or cost allocation plan. C

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.

- Does the organization have an approved indirect cost rate or cost allocation plan?

Sources and Notes:

- If the state or project operator charges indirect costs, does it have an approved indirect cost rate agreement? Is the percentage of indirect cost charges equal to or less than the rate in the approved agreement?

Sources and Notes:

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 [OMB Circular A-87 Attachment A; A-122 Attachment A; A-21 Section C].

Tools Directory:

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

Core Monitoring Guide

Regular NEG Grants

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

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.

- 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 sub-recipients, how do they ensure that their sub-recipients are following appropriate cost guidelines and the policies of the awarding agency? Has the organization issued written cost policies to their sub-recipients?

Sources and Notes:

Review NEG application procedures for limitations on pre-award costs.

- Was the amount of pre-award costs charged to the grant within the allowable total approved by the Grant Officer?
- Do the charges include any unallowable costs, such as administrative or needs-related payment costs? Do the charges include any costs incurred before the pre-award date approved by the Grant Officer?
- Has the project charged employee bonuses or incentive awards to the grant? If so, what is the basis for these charges?
- Did the state or project operator charge any costs to the grant that are not allowable under the relevant provisions of WIA or the terms and conditions of the award letter?

Sources and Notes:

OBJECTIVE 3.6 Internal Controls: Effective control, integrity, and accountability are maintained for all grant and sub-recipient cash, personal property, and other grant assets [29 CFR 97.20 (a)(2)(b)(3); 29 CFR 95.21(3)].

Tools Directory:

- 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
- 3.6.2 The state and local project operators have adequate controls in place for NEG disaster projects to assure that wages for temporary jobs are paid only to eligible participants and are made in compliance with established limitations. C

Core Monitoring Guide

Regular NEG Grants

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

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.

- 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?

Core
Guide

NEG Disaster Grants

3.6.2 The state and local project operators have adequate controls in place for NEG disaster projects to assure that wages for temporary jobs are paid only to eligible participants and are made in compliance with established limitations. C

Ask state and local project operator financial staff to identify and explain policies and controls applicable to temporary jobs payrolls. Review these controls to assess their effectiveness by observing temporary jobs program payroll approval procedures and/or by obtaining and reviewing supporting documentation for previously approved payrolls. Perform an unannounced validation of all NEG-funded employees at selected worksites.

- Does the state have adequate policies and oversight in place regarding controls on temporary jobs payrolls?
- Have local project operators developed and implemented effective payroll processing controls to assure that all wages paid for temporary jobs are paid to individuals who have been determined eligible under the terms of the grant award?
- Have local project operators developed and implemented effective controls to assure that wage payments made to participants comply with limitations on aggregate amount paid, duration of payment, and other conditions or limitations of the grant award?
- Have the state and/or local project operators developed and implemented effective controls to assure that wage payments, UI benefit payments, or DUA benefit payments made to individual participants are not duplicative?
- Is there a system in place to remove a participant who has been found to be ineligible?
- Are controls in place to ensure that the duration of Disaster Relief Employment positions is limited to six months?
- Has a waiver been requested and/or approved? Note: per the flexibility act, Disaster Temporary Jobs may be extended for an additional six months if related to Hurricane Katrina, with prior approval.
- Are controls in place to ensure that the maximum wage is limited to \$12,000?
- Has a waiver been requested and/or approved?
- Are controls in place to ensure that the duration of Public Sector Employment (Katrina only) positions is limited to six months?
- Based on the unannounced validation of worksite employees:
 - √ Was each individual worker at the worksite included on the payroll?
 - √ Was any individual included on the payroll absent from the worksite? If so, what was the explanation for the absence?
 - √ Is the explanation verified through subsequent review of timesheets?
- Are workers' compensation policies in place and premiums paid by employer of record for those in subsidized jobs?

Sources and Notes:

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 sub-recipients according to the financial reporting requirements of the grant [29 CFR 95.21(b)(1); 29 CFR 97.20(2)(b)(1)].

Tools Directory:

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

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

Core Monitoring Guide

Regular NEG Grants

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

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.

- 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.)?

Sources and Notes:

Core Monitoring Guide

Regular NEG Grants

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

If applicable, determine if the organization is receiving financial data from its sub-recipients 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 sub-recipient reporting.

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

OBJECTIVE 3.8 Fund Availability: The organization has a method for distributing and expending grant funds in accordance with legislative or grant funding requirements.

Tools Directory:

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.

Core Guide

NEG Disaster Grants

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.

FPO Guidance: Review the allocation process used by the state to distribute funds to the local areas. Review reallocation procedures and any reallocation of funds that have occurred.

- Do the state allocation procedures appropriately distribute funds?
- Do the procedures adequately address the FEMA announcement of eligibility?
- Do the reallocation procedures allow the state to quickly move resources where they are needed most?
- Does it appear that the State has performed an evaluation of expenditures on a timely basis, and is that information used in the reallocation of funds?

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 statement of work (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	

OBJECTIVE 4.1 – Operating Systems: The grantee has the operating systems in place to fully implement the grant [SOW].

Tools Directory:

- 4.1.1 The grantee is providing a full range of services stipulated in the grant agreement. C
- 4.1.3 Strategies are being implemented to recruit and screen participants who meet the target group criteria identified in the grant. E
- 4.1.4 Sub recipients and contracts called for in the project plan are in place and fully operational. E
- 4.1.5 Grant participants received timely and effective early intervention services. E

Core Monitoring Guide

Regular NEG Grants

4.1.1 The grantee is providing a full range of services stipulated in the grant agreement. C

- 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?

- Are the facilities open and available to participants?
- Are key systems such as phones, faxes, computers, and Internet service operational?
- If there were delays in installing these systems, what was the cause of the delays? Have problems been resolved? Did the delay adversely affect the project’s ability to begin providing participant services?
- Are the facilities accessible to persons with disabilities?

Sources and Notes:

NEG Disaster Grants

Obtain and review local project operator agreements to identify the range of services being provided. Compare the services as described in local project operator agreements to those described in the grant award and the project operating plan.

- Are all the services identified in the grant agreement being provided pursuant to local project operator agreements? If not, seek an explanation from the state.
- Do local project operators have effective processes to identify and locate individuals who lost their jobs due to the disaster and to connect them with temporary jobs and other services available through the grant?

Sources and Notes:

Core Monitoring Guide

NEG Disaster Grants

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

- 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 are 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?
- Does the grantee have a written system in place to verify the eligibility of individuals for whom normal documentation was not available as a result of the disaster?

Obtain and review information on the state's actions, strategies, policies, and procedures designed to assure that the target population is being recruited and that services are being provided. Review the grant award documents and the project operating plan, if available. Interview appropriate grantee and local project operator staff, and others who may be involved in the disaster recovery planning, e.g., city officials.

- Have local project operators developed and implemented a coordinated plan to identify and locate individuals who are eligible for the program?
- Is recruitment actively underway even though a full application or project operating plan may not yet be in place? Are local project operator recruitment efforts being carried out in accordance with the project operating plan (if developed), and are they sufficient to identify the number of participants needed to meet enrollment and project goals? If recruitment was a problem, what solutions were found or what remedies were implemented?
- Is the participant level sufficient to conduct the needed disaster recovery work within the timeframe allowed for the work? Does the FPO anticipate that the work can be completed as projected?
- Does the grantee and local community have a specific plan with timelines on completion of disaster relief work? Is it reasonable in the context of the NEG?
- Does a review of worksites support the continued need for activities at the sites?
- Does the FPO expect that the grantee will request an extension to the project? If so, does this appear justifiable, e.g., reason for delay is reasonable, time required to complete work obvious, etc.?

Sources and Notes:

Core Monitoring Guide

Regular NEG Grants

4.1.4 Sub recipients and contracts called for in the project plan are in place and fully operational. E

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 sub recipients / contracts are fully operational, what is the grantee doing to correct the situation?
- If any sub recipients / 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?

Ask to see a copy of the signed contract between the state and the designated service provider(s). If the local provider subcontracts with other organizations to provide project services, ask to see a copy of the signed agreement(s).

- Has the state executed contracts with all local project operators identified in the grant application? Was this accomplished in a timely manner so that workers can receive assistance as soon as the NEG is awarded or as soon as they are eligible for assistance (up to 6 months prior to scheduled closing, etc.)?
- Are the contracts sufficiently detailed so that the state can hold the local project operators accountable for their performance? (Do they include statements of work, budgets, and performance targets?)
- What provisions are made for delayed enrollments or low expenditures?
- Does the agreement require the project operator to put contracts in place that require accountability for timely enrollments, enrollment levels, expenditures, etc., and the ability to de-fund service providers who are not performing?
- If there was a delay in executing any contracts, what was the cause of the delay? Has the problem been resolved? Did the delay adversely affect the project's ability to begin providing participant services?
- Does the total amount of the program operators' contracts equal the amount of funds identified in the grant planning form for Total Expenditures: Project Operator Level? If not, why did the state reserve funds designated for project operator costs?
- Has the state reserved an excess amount of funds for state-level activities or administrative costs?

Sources and Notes:

Core Monitoring Guide

Regular NEG Grants

4.1.5 Grant participants received timely and effective early intervention services. E

The NEG Application Procedures indicate that the initiation of early intervention activities is generally a precondition for the award of NEG funds. If Rapid Response did not occur by the time of the grant request, the application must have documented why it was not possible to provide these services.

- Did the affected employees participate in Rapid Response orientation meetings?
- If Rapid Response was not feasible before the submission of the NEG request, were these services provided later? If so, when? If not, why not?
- What other early intervention was provided, e.g., initiation of services with formula funds, etc.?
- Was a labor-management committee or a workforce transition committee formed? If so, what role has this entity played in designing an implementation strategy that responds to the reemployment needs of the workers, and in supporting on-going operations?
- Did the affected employees begin reemployment services before the NEG award? If so, what services were provided? If not, why not? Are there any notable barriers to an integrated service delivery system? What effect, if any, did this have on grant participation rates?
- Based on the type of early intervention services provided (e.g., core, intensive services), was it appropriate to register these individuals as WIA participants? If so, were these individuals actually registered?
- If this is a dual-enrollment project, were the core and intensive services provided to the workers before the workers were determined eligible for TAA?

Sources and Notes:

OBJECTIVE 4.2 – Participant Files: A review of participant files and case notes demonstrates that participants are receiving appropriate and effective services. Tools Directory:

- 4.2.1 The grantee is serving the eligible/target population identified in the grant. C
- 4.2.2 The grantee develops an individual service plan that identifies and meets the specific needs of each individual participant. E
- 4.2.3 Supportive services are being provided as needed to overcome client barriers to participation and completion of the individual service plan. E
- 4.2.4 Participants are receiving training as needed and progressing toward achieving their employment goals. E
- 4.2.5 Needs-related payments are authorized, paid and tracked in compliance with WIA regulations. C

Core Monitoring Guide

Regular NEG Grants

- 4.2.1 The grantee is serving the eligible/target population identified in the grant. C

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. 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.

- Are there written eligibility procedures and documentation requirements that are used to make accurate eligibility determination? Does it appear that the staff follows the written procedures?
- Did the files contain sufficient documentation to fully support the

Eligibility for services under the Regular NEG is limited to the target population identified in the award letter (e.g., generally a specific layoff or closure) who are eligible dislocated workers as defined in WIA sec. 101(9) and (10); and/or WIA sec. 173(c)(2) and 173(d)(2) that include certain Department of Defense (DoD) and Department of Energy (DoE) civilian employees, certain DoD contractor employees, and members of the armed forces. For reference, see WIA Section 101(9), WIA section 173(c)(2), and the NEG Application Procedures. Also check any Training and Employment Guidance Letters (TEGLs) that discuss NEG eligibility issues (e.g., TEGL 16-03, 16-03 Change 1, and 16-03 Change 2).

- How does the project operator’s eligibility and enrollment process (including recruitment and enrollment policies and procedures) ensure that only participants affected by dislocation from specific companies/businesses are enrolled in the project?
- Do case files document that participants:
 - ✓ Worked (or work) for the approved target group employer?
 - ✓ Worked at the approved employer location identified in the grant application?
 - ✓ Became (or will become) unemployed through one of the specific layoff events listed in the grant application? (That is, an individual was not laid off some time prior to the dislocation event(s) specified in the grant application.)
- For “industry-wide” projects, if a participant’s employer of dislocation was not listed in the grant application, is the employer’s industry in the approved three-digit code from the North American Industrial Classification system? How is this documented?
- Are there any issues regarding documentation of participant

eligibility determination?

- 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?

eligibility? If so, do they raise concerns about potentially questioned costs?

NEG Disaster Grants

Eligibility documentation for participants in disaster grants is discussed in the NEG award letter, including the general provisions and questions and answers. Obtain and review information from local project operators concerning intake, assessment and eligibility determination procedures. Interview state and local project operator staff involved in service delivery. Review specific information about participants, including all special eligibility or assessment provisions applicable to NEG disaster projects, by reviewing a sample of participant files. Use the “Participant File Review” tool in the Review Toolbox, as appropriate. Note any special rules that apply to the disaster.

- Have local project operators developed and instituted an appropriate plan to consider alternative documentation or verification procedures to support participant eligibility for individuals whose records were lost or damaged pursuant to a disaster?
- How do local project operators assure that participants are physically able to perform the type of work required by the temporary job in which placement will occur?
- How does the project operator’s eligibility and enrollment process (including recruitment and enrollment policies and procedures) ensure that priority is given first to participants dislocated as a result of the disaster, and then to dislocated workers and long-term unemployed, while also reflecting priority of service to veterans? For Katrina evacuee projects, are all participants enrolled evacuees?
- What process is used to verify that participants were separated from employment as a result of the disaster event?

Core Monitoring Guide

NEG Disaster Grants

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

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

While participants are performing, or after they complete, their temporary jobs, they should receive an individual service plan that identifies the services and training needed to obtain unsubsidized employment. Obtain information on state procedures related to the development of individual service plans. Assess service plans through staff interviews and the sample review of participant files.

- At what point in a participant’s enrollment is

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 planned 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.

assessment conducted to determine the need for additional services? Is the policy reasonable in the context of when career decisions need to be made vis-à-vis the disaster recovery activities?

- Is individualized service planning begun as appropriate to the circumstances of the disaster (e.g., after immediate recovery and response efforts) and the individual participants (e.g., as they transition from temporary jobs)? Does this include an assessment of the employability skills of the long-term unemployed?
- Does the local project operator develop service plans that are personalized, comprehensive, and that provide an appropriate mix of services to maximize each person's chances of successful reemployment and high wage replacement? Do these service plans include workforce training for future employment opportunities?
- Are workforce services made available as appropriate to participants with temporary jobs throughout their enrollment period, and not only after the temporary jobs end? Are these services provided in a seamless and integrated manner?
- Does service planning for individual participants attempt to match participant interests and skills with temporary jobs that correlate with possible long term career opportunities?
- Have local project operators developed and implemented a case management staffing plan sufficient to accomplish project goals?
- Does the grantee periodically update participant individual employment plans (IEPs) (as may be necessary in a disaster environment) to address new and existing barriers that are critical to successful participation in and completion of training activities?

Core Monitoring Guide

Regular NEG Grants

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

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

Obtain and review state and local project operator policies regarding supportive service and needs related payments, if applicable. Obtain specific information on the application of these policies through staff interviews and the sample review of participant files.

- Have supportive service and needs-related

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?

payment policies, if applicable, been established consistent with the needs of the project and the terms of the grant award?

- Do supportive service or needs-related payment policies differ between the formula program and the NEG project? If so, how? Was this approved as part of the NEG award letter?
- Are supportive services and needs-related payment policies, if applicable, consistently applied to the individual circumstances of project participants?
- Have project operators established systems to assure that supportive services and needs-related payments to participants are tracked?

Core Monitoring Guide

Regular NEG Grants

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

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

- Does the file contain the individual plan which indicates the participant's re-employment goal?
- 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 are the barriers and 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?

Obtain information through the sample review of participant files on any training services provided that were authorized in the grant agreement.

- Do OJT services provided comply with WIA requirements for OJT including:
 - √ Being provided through an employer contract?
 - √ Limitations on the duration of training?
 - √ Limitations on employer reimbursement to 50 percent of hourly wages?
 - √ Documentation of wages and hours worked?
 - √ Avoiding employers who have a pattern of not providing trainees with employment opportunities?
- Do participants who are provided training need it to obtain employment in the occupational goal?
- Do participants who are provided training have the skills and qualification necessary to complete their training programs?
- Are participants enrolled only in training for which there is an occupational demand?
- Is participant training provided in accordance with governing rules, regulations and policies?
- Are ITAs used for training?
- Are training providers on the ETPL?
- Have appropriate coordination arrangements been made with other sources to pay for training?

Regular NEG Grants

4.2.5 Needs-related payments are authorized, paid and tracked in compliance with WIA regulations. C

In most circumstances, NEG grantees must administer NRPs according to applicable state (if the project operator is the state) / local policies governing the dislocated worker formula program. The regulations only stipulate that for unemployed participants who have exhausted UI or TRA benefits, the amount of the weekly NRP may not exceed the previous level of the UI / TRA benefit. For unemployed dislocated workers who did not qualify for UI or TRA, the amount of the weekly benefit may not exceed the poverty level (adjusted for family size) for an equivalent period.

- Are NRP recipients unemployed?
- Before receiving NRPs, did participants exhaust UI or TRA eligibility, or did they fail to qualify for UI or TRA benefits?
- Did all participants who received NRPs enroll in training by the end of the 13th week following their dislocation, or by the end of the 8th week after learning that a short-term layoff would exceed 6 months duration, or by the end of the 6th week following the date of the NEG award?
- Are the amounts of participants' weekly NRPs at the level set by applicable state, local or NEG-approved policy?
- Does the project operator have written materials that clearly, accurately, and comprehensively explain NRP eligibility to grant participants?
- Does the state or project operator have any controls to ensure that individuals receiving NRPs are in active status, and are not working in any outside employment?
- How is need determined? Are all participants treated equitably?
- Does the policy set a time limit for receipt of NRPs? How are NRPs treated during semester breaks?

Sources and Notes:

OBJECTIVE 4.3 – High Growth Jobs: The grantee provides employment and training services that target high-growth jobs within expanding economic sectors.

Tools Directory:

- 4.3.1 The grantee provides information on high-growth occupations and regional economic trends to job seekers and employers. E
- 4.3.2 Training activities are concentrated in those occupational areas having high-demand jobs in high-growth sectors. E
- 4.3.3 The grantee provides effective job search and job placement services to place participants in high-growth occupational areas. E

Core Monitoring Guide

**Regular
NEG Grants**

- 4.3.1 The grantee provides information on high-growth occupations and regional economic trends to job seekers and employers. E
 - 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?

Core Monitoring Guide

NEG Disaster Grants

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

Compare the list of occupations 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?
- 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?

Obtain and review assessment tools or other information obtained from the state and local project operators regarding procedures for matching participants with specific types of temporary jobs. Interview staff who are involved in this process.

- Do local project operators have a plan to offer and/or provide appropriate training to participants upon termination from the temporary job?
- What processes or procedures do local project operators envision or already have in place to create a nexus between temporary job assignments for participants and long-term career opportunities in high-demand jobs in high-growth industries?

Core Monitoring Guide

Regular NEG Grants

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

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?

Use the results of staff interviews, participant interviews, file reviews, curriculum reviews, and analysis of performance outcomes data to assess the project's ability to help dislocated workers find jobs.

- How does the project help participants learn job search skills – through one-on-one counseling, through workshops, or both?
- Does the curriculum – and delivery – of job search workshops appear to be of high quality?
- Do job search workshops (or individual counseling sessions) cover basic topics such as resume development, job applications, cover letters, interviewing techniques, using LMI, employer research, and career networking?
- Are participant resumes of high quality, and do they highlight the participants' skills and accomplishments?
- Does the project operator emphasize the importance of treating job search as a full time job?
- Do participants have access to job development or job referral services? If so, what entity provides those services? Do the services appear to be of sufficient quality to support the project's performance goals?

Sources and Notes:

NEG Disaster Grants

Obtain and review information from the state and local project operator staff regarding job search and job placement services if such services are authorized in the grant agreement.

- If authorized as part of the NEG disaster project, do local project operators provide job search and placement services to help link job seekers with employers in high-growth occupational areas?

Sources and Notes:

OBJECTIVE 4.6 - Temporary Jobs: NEG disaster projects provide temporary disaster relief employment to augment disaster recovery efforts within the area through worksites intended to restore critically needed services and infrastructure in the areas identified for cleanup.

Tools Directory:

- 4.6.1 Temporary jobs are for cleanup, demolition, repair, renovation and reconstruction of damaged and destroyed public and not-for-profit structures, facilities and lands to enable the resumption of business activity, and/or to work on projects that provide temporary public services or humanitarian assistance. C
- 4.6.2 Participants in temporary jobs are provided with the training and safety equipment the job requires. E
- 4.6.3 Public Service Employment (PSE) is consistent with the terms of the grant award. E
- 4.6.4 Worksites are prioritized to address the most severely damaged facilities representing the highest priorities of the community for restoring services. E
- 4.6.5 Local project operators have developed and implemented an effective plan to assure participants at worksites are adequately supervised and the worksites routinely monitored. E

Core Guide

NEG Disaster Grants

- 4.6.1 Temporary jobs are for cleanup, demolition, repair, renovation and reconstruction of damaged and destroyed public and not-for-profit structures, facilities and lands to enable the resumption of business activity, and/or to work on projects that provide temporary public services or humanitarian assistance. C

Identify actions taken by the state and local program operators to establish a temporary jobs program. Obtain information about temporary jobs that are part of the project from the grant agreement, the Project Operating Plan, local project operator agreements, staff interview and other sources.

- Do all temporary jobs involve cleanup, repair and restoration of public and not-for-profit properties?
- Do the temporary jobs lead to the resumption of regular business activities? Which ones?
- What specific public and humanitarian assistance is provided by the projects on which participants are employed? Is this assistance directly or indirectly related to the disaster? Does this assistance adhere to conservation practices?
- Are the types of jobs allowable under the grant and the Project Operating Plan (if available)?
- Is the employer of record for temporary jobs limited to public entities, not-for-profit organizations or private for-profit entities such as outplacement or staffing agencies?
- How was the wage level determined for each type of job?
- Are rates of pay consistent with those described in the Project Operating Plan (if available) and comparable to those for similar jobs?

Sources and Notes:

Core Guide

NEG Disaster Grants

4.6.2 Participants in temporary jobs are provided with the training and safety equipment the job requires. E

Interview local program operator staff involved in administering the temporary jobs program to identify training needs for each job and the types of training provided to participants. Locate and review training records and documentation.

- What processes do local project operators have in place to assure participants receive the training required for the temporary job? How are worker skill deficiencies assessed? Is the party responsible for assessment and training clearly identified in the worksite agreement?
- Do participants receive safety and first aid training in conjunction with placement in a temporary job? Is the job safety training provided to participants before they begin disaster relief work consistent with OSHA and EPA requirements as applicable?
- Is any special training required for cleanup activities or equipment usage? If yes, how is it being provided? Are participants qualified and/or properly trained to operate the equipment assigned for their use?
- Are protective clothing and safety equipment provided to the workers, either by the worksite or through the grant?

Sources and Notes:

Core Guide

NEG Disaster Grants

4.6.3 Public Service Employment (PSE) is consistent with the terms of the grant award. E

Review the grant award to determine whether PSE positions have been approved by the Grant Officer. Obtain a list of PSE positions that have been filled and compare them with the types and number of PSE positions that have been approved for the project.

- Have NEG Disaster funds been approved by the Grant Officer to pay for PSE? If so, how many positions have been approved? Is there any limitation on what types of PSE positions may be funded?
- Are the number and types of PSE project positions being paid with NEG grant funds consistent with the terms and limitations specified in the grant award?
- Has the length of the PSE employment period been limited to six months with the opportunity to extend this period for an additional six months? Have PSE participants been notified of this limitation?

Sources and Notes:

Core Guide

NEG Disaster Grants

4.6.4 Worksites are prioritized to address the most severely damaged facilities representing the highest priorities of the community for restoring services. E

Obtain and review a list of worksites then interview state staff and local project operator staff with responsibility for policy development and administration of the temporary jobs program.

- What information is obtained for each worksite and how is it maintained?
- Are all worksites within areas encompassed by the disaster declaration?
Obtain a map of worksites.
- What specific worksites were selected?
- Are worksites appropriate given the nature of the disaster and need for assistance?
- What process was used to prioritize worksites?
 - √ Are public facilities which have been most severely damaged given the highest priority?
 - √ Are not-for-profit facilities which have the greatest impact on providing needed temporary services given the next highest priority?
- What role did the state play in the selection of worksites?
- Are worksites authorized pursuant to contractual agreements with public and private organizations engaged in cleanup and restoration?
- Are all worksites identified in local project operator agreements? If not, to what extent and how is the state involved in approving worksites?
- If worksites are located on private property, have all of the following conditions been met:
 - √ Are state and local government workers, or other non-WIA funded workers of the employing unit, also working on the property?
 - √ Is the work intended to remove health and safety hazards for the larger community?
 - √ Is work being done to private residences limited to that which is intended to make the home safe and habitable, and not to make home improvements?
 - √ Is work being done on homes only for economically disadvantaged individuals who are eligible for the federally-funded weatherization program?
 - √ Is priority given to services for the elderly and individuals with disabilities?
 - √ Are WIA funds not being used for the cost of materials to do repairs?
 - √ Is the work disaster related and not general home improvement?
- What worksite changes have occurred since the development of the Project Operating Plan? Why were these changes necessary?

Sources and Notes:

Core Monitoring Guide

NEG Disaster Grants

4.6.5 Local project operators have developed and implemented an effective plan to assure participants at worksites are adequately supervised and the worksites routinely monitored. E

Obtain and review information on how local project operators supervise worksites. Interview staff involved in administering the temporary jobs program. Also consider interviewing worksite supervisors, case managers and participants. Note that the questions asked may vary according to the type of worksite. Reviewers should add or customize questions to reflect the nature of the work (e.g., humanitarian assistance, clean-up, etc.).

- Who is responsible for supervising the work of participants at worksites?
- What is the ratio of worksite supervisors to workers?
- How are workers supervised?
- How do supervisors assure that participants working in temporary jobs understand worksite requirements and rules?
- What training do supervisors provide?
- How is worksite activity monitored, by whom and how frequently?
- Does the state have procedures in place to recover WIA funds which have been expended for activities or services for which other funds are available (e.g., HUD, FEMA, public or private insurance, etc.)?

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 sub recipients 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	

OBJECTIVE 5.1 – Service Goals: Grantee is on schedule to achieve its service level (or product) goals and fully utilize available funds [29 CFR 95.21; 29 CFR 97.20; SOW].

Tools Directory:

- 5.1.1 An implementation plan identifies project goals, activity levels, spending targets, and timeframes that are directly linked to achieving grant goals. E
- 5.1.2 Grant spending is occurring at a rate consistent with the amounts budgeted through the most recent quarter being reviewed. C
- 5.1.3 The grantee is currently meeting service level (or product) goals proposed in the grant. C
- 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
- 5.1.5 Requests for incremental funding are based on a realistic and credible analysis of actual project enrollments/activity, and accrued expenditures as supported by quarterly FSRs. E

Core Monitoring Guide

NEG Disaster Grants

5.1.1 An implementation plan identifies project goals, activity levels, spending targets, and timeframes that are directly linked to achieving grant goals. E

Review a copy of the grantee’s implementation plan. Compare it to the grant SOW. Interview staff responsible for administering the program of services.

- Does the grantee have an implementation plan that guides the daily work of its staff?
- 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?
- 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 gant chart) of sequential activities in place that illustrates how activities are timed and coordinated to promote continuous progress toward project goals?
- Is the implementation plan used as a tool to measure planned versus actual activity as a means of tracking the progress toward goal achievement?

The project operating plan (POP) serves as the implementation plan for a disaster NEG. Review the requirements for the POP contained in the April 27, 2004 Federal Register Notice.

Sources and Notes:

Sources and Notes:

Core Monitoring Guide

Regular NEG Grants

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

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%) – 100% = -25% variance. Are actual expenditures within the +/- 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: $60\%/50\% = 1.2$ (120%) – 100% = +20% 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?

Compare actual accrued expenditures at the end of last quarter with the level of expenditures forecast in the project planning form.

- Is the documentation of expenditures and obligations consistent with amounts listed in previous quarterly 9099 reports to ETA?
- If expenditures were higher or lower than planned, why was this? Has the state or project operator addressed – and resolved – these issues? What is the likelihood that expenditures will “catch up” to projected levels?
- Does the higher / lower level of current quarterly expenditures have any implications for the likely amount of total project expenditures?
- Are project costs in line with planning estimates, and are there trends or issues suggesting that the average cost-per-participant will be more than + 10 percent of the proposed cost-per-participant in the grant application, as currently approved?

Sources and Notes:

NEG Disaster Grants

Review performance and financial reports and data.

- Are the enrollments, worksite and other major budget assumptions underlying the Grant documents valid and supportable based on actual experience?

Sources and Notes:

Core Monitoring Guide

Regular NEG Grants

5.1.3 The grantee is currently meeting service level (or product) goals proposed in the grant. C

Examine the most recent 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%) – 100% = -25% 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: $60\%/50\% = 1.2$ (120%) – 100% = +20% 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

Examine the most recent quarterly enrollment reports and monthly reports, and compare the number of current participants to the number of enrollments projected for this period in the project's implementation plan. Try to determine whether the final enrollment level is likely to be within + 10 percent of the approved number of project participants.

- Are project enrollments significantly higher or lower than projected levels for this period in the grant's operations?
- What does the rate or enrollment look like? Is the number of new participants slowing down, remaining constant, or accelerating?
- If enrollments are higher or lower than planned, what is the project operator's opinion as to the reason for this?
- Have there been any changes to the employer's layoff schedule? Have there been any employee recalls? If so, are they temporary or permanent? Do the employees have generous severance packages or are there any other factors that might discourage timely enrollment?
- If enrollments are low, what is the outreach and recruitment strategy? Does this plan seem credible?
- If current enrollments are higher than planned, does this imply that total enrollments will also be higher than planned? If so, what are the budget implications of this?
- What is the project operator's best estimate of the likely full-enrollment level?
- Has the project reached "enrollment stability" (no new enrollments, or few new enrollments, are anticipated)?
- If enrollments are expected to continue beyond six months after implementation of the project, what is the rationale?
- If enrollments are below planned at six months, what impact will this have on the level of funding required?
- Has a modification been submitted to adjust downward these factors?
- If enrollments are complete, do the service strategies support the current project ending date?

completed to date with the product goals identified in the grant’s implementation plan.

- If not, has a modification been submitted to extend the date, if appropriate?

Sources and Notes:

Core Monitoring Guide

**Regular
NEG Grants**

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

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?

Sources and Notes:

Core Monitoring Guide

Regular NEG Grants

5.1.5 Requests for incremental funding are based on a realistic and credible analysis of actual project enrollments/activity, and accrued expenditures as supported by quarterly FSRs. E

The analysis of funding needs should occur after enrollments have become stable, worksites are operational and actual financial data for a sufficient period of time is available. Develop an independent estimate of funding needs by completing a balance of need worksheet (in the Tool Box). By May of the program year in which the grant was first awarded, perform this same analysis to determine whether the project has been over-funded and whether un-needed funds should be recaptured by ETA.

- Is the project far enough along to enable the development of a reasonable estimate? If not, when will a reasonable estimate be possible?
- Have average monthly costs matured sufficiently to enable projection?
- What is the trend regarding enrollments?
- Has the grantee carefully developed an estimate of when the project is likely to exhaust its current funding increment?
- If so, does the independent projection of expenditures support the grantee's analysis of when additional funding will be needed?
- If there are major differences between the independent estimate and the grantee's estimate, what is the source of those differences?
- When is the project likely to exhaust its current funding? Is the project likely to require a second (or third) funding increment?
- Is additional project funding justified by an independent analysis of project enrollments and expenditures? If so, what funds are likely to be required to complete the project?
- Are there any risk factors, such as compliance issues, potential questioned costs, reporting deficiencies or other factors that would justify releasing only a limited amount of next increment funds?

Sources and Notes:

OBJECTIVE 5.2 – Performance Outcomes: Grantee is on schedule to meet or exceed the performance outcomes that are identified in the grant agreement.

Tools Directory:

5.2.1 The grantee is currently meeting or exceeding the performance outcomes that are identified in the grant agreement. E

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

Core Monitoring Guide

Regular NEG Grants

5.2.1 The grantee is currently meeting or exceeding the performance outcomes that are identified in the grant agreement. E

Performance outcomes are the end results that the grant is expected to accomplish. These could include the number or percentages 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.

- For each planned performance outcome, perform the following analysis:
 - √ 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%) – 100% = -25% 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: $60\%/50\% = 1.2$ (120%) – 100% =

- Does the project currently meet or exceed its performance goal for entered employment, and are there trends or issues suggesting lower performance in the future?
- Has the grantee reported all NEG participants through the WIASRD, and included the NEG Project number on the reporting?
- Is the project currently meeting its performance goal for wage replacement rate, and are there trends or issues suggesting lower performance for the future?

Sources and Notes:

NEG Disaster Grants

Review available information on project performance and outcomes. Compare outcomes to those identified in the grant agreement and the Project Operating Plan.

- Has the project accomplished all major disaster recovery goals and objectives as set out in the grant award and project operating plan?
- Are the participant performance goals for the disaster project in line with actual performance?
- Are all participants who have exited been reported on the WIASRD, including only those who participated

√ +20% 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?

in temporary jobs components?

Sources and Notes:

Core Monitoring Guide

Regular NEG Grants

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

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 programs 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?

Sources and Notes:

OBJECTIVE 5.3 – Subrecipient Performance: The grantee holds sub recipients and contractors accountable for achieving their performance goals.

Tools Directory:

5.3.1 Sub recipient and contract agreements contain clear, specific and measurable performance goals. E

5.3.2 Grantee holds sub recipients accountable for actual versus planned accomplishments related to performance goals. E

Core Monitoring Guide

Regular NEG Grants

5.3.1 Sub recipient and contract agreements contain clear, specific and measurable performance goals. E

If the grantee has entered into sub recipients 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.

- 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 provision requiring corrective action when performance goals are not being met? If not, how does the grantee enforce the performance terms of the agreement?

Sources and Notes:

Core Monitoring Guide

NEG Disaster Grants

5.3.2 Grantee holds sub recipients accountable for actual versus planned accomplishments related to performance goals. E

If the grantee has contracted with sub recipients 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?

Review local project operator agreements. Interview state grantee staff responsible for the temporary jobs program.

- How does the state hold local project operators accountable for the timely start-up and operation of worksites?
- How does the state hold local project operators accountable for meeting temporary job enrollment goals?

Sources and Notes:

Appendix

Oversight of Disaster NEG Grants

The following table provides a list of the major subject areas on which we need to focus our oversight. These subject areas are divided between state level activities and local level activities, although some apply to both the state and local levels. The subject areas are also separated into four stages of the project, corresponding to the different phases in which activities occur and our oversight reviews are conducted. This timeframe will vary with the unique circumstances of each project and the severity of the disaster. The four stages are roughly divided into:

1. Assessment and Planning;
2. Project Implementation;
3. Project Stability;
4. Project Completion.

Finally, the last column of the table identifies sections of the Core Monitoring Guide and the Disaster NEG Supplement which can assist the reviewer in monitoring each subject area.

STATE LEVEL ISSUES	LOCAL LEVEL ISSUES	GUIDE REFERENCES
ASSESSMENT & PLANNING		
Coordination with FEMA, SEMA and other organizations		1.25, 1.13
Organization and staffing plan		2.22, 2.23
State Policy and Planning <ul style="list-style-type: none"> • Alternative recordkeeping • Alternative documentation, self-certification, verification • Allocation of funds to local areas and reallocation provisions • Sole source and general procurement • Waiver status • Reporting procedures 		2.11 2.14 4.13, 4.21 3.8 2.71 – 2.74 2.10.1 2.91 – 2.93
Monitoring process and schedule		2.12
Appropriate charging of costs, including pre-award costs		3.51
Timely information from local areas to develop the plan		1.25
Strategic and long-term economic planning		1.11 – 1.14
PROJECT IMPLEMENTATION		
Identification of projects to be funded by	Identification of projects to be funded by	1.25

FEMA and those through the NEG	FEMA and those through the NEG	
Equipment needed	Equipment needed	2.61, 2.62
Agreements with local areas executed <ul style="list-style-type: none"> • Funds allocated with provision for reallocation • Adjustments to agreements based on need 	Sub-agreements executed as applicable <ul style="list-style-type: none"> • Funds allocated with provision for reallocation • Adjustments to agreements based on need 	2.72, 4.14
Timely and accurate reporting	Timely and accurate reporting	2.91, 3.7
Temporary jobs <ul style="list-style-type: none"> • Allowable purposes • Training and equipment provided • Priority worksites • Supervision of workers • Plan to tie jobs to high-growth industries 	Temporary jobs <ul style="list-style-type: none"> • Allowable purposes • Training and equipment provided • Priority worksites • Supervision of workers 	4.61 4.62 4.63 4.64 1.14
Internal controls on fraud prevention/detection <ul style="list-style-type: none"> • DUA/UI/Wage duplication • Eligible and targeted population • Limits on wages and work hours • Work on private property 	Internal controls on fraud prevention/detection <ul style="list-style-type: none"> • DUA/UI/Wage duplication • Eligible and targeted population • Limits on wages and work hours • Work on private property 	3.61 3.62 4.21 4.61, 3.62, POP 4.63
	Identification of work sites and number of needed workers	4.63
	Recruitment plan and enrollment schedule	4.13
Fully documented plan submitted to NO within 60 days		FR Notice 4/27/04
Waiver implementation	Waiver implementation as appropriate	2.10.2-2.10.3
	Initial planning to transition participants to unsubsidized employment <ul style="list-style-type: none"> • Identification of workforce services needed • Integration of DW services and resources • Targeting high growth jobs • Supplemental funds to provide workforce services 	4.22 1.32 4.31 – 4.33 5.15
PROJECT STABILITY		
Project Operating Plan submitted to RO within 90 days		5.11, 1.25, FR 4/27/04
Managing/reallocating funds <ul style="list-style-type: none"> • Budget controls and limits 	Managing/reallocating funds <ul style="list-style-type: none"> • Budget controls and limits 	3.11, 3.12

<ul style="list-style-type: none"> • Allowable costs • Cost allocation • Cash management • Reallocation 	<ul style="list-style-type: none"> • Allowable costs • Cost allocation • Cash management • Reallocation 	3.51 3.41-3.42 3.21 3.81
<p>Implementation plan on schedule</p> <ul style="list-style-type: none"> • Enrollment levels • Expenditure rates • Disaster recovery goals • Accountability for results 	<p>Implementation plan on schedule</p> <ul style="list-style-type: none"> • Enrollment levels • Expenditure rates • Disaster recovery goals • Accountability for results 	5.13 5.12 5.21 5.32
Incremental funding determination	Incremental funding determination	5.14, 5.15
Technical assistance and monitoring	Technical assistance and monitoring	5.32, 2.13
	<p>Continued transition of participants to unsubsidized employment</p> <ul style="list-style-type: none"> • Identification of workforce services needed • Integration of DW services and resources • Targeting high growth jobs • Supplemental funds to provide workforce services 	4.22 1.32 4.31 – 4.33 5.15
PROJECT COMPLETION		
	<p>Continued transition of participants to unsubsidized employment</p> <ul style="list-style-type: none"> • Identification of workforce services needed • Integration of DW services and resources • Targeting high growth jobs 	4.22 1.32 4.31 – 4.33
Strategic and long-term economic planning		1.11 – 1.14
<i>Audit and audit resolution</i>		2.81 – 2.83