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**Policy Number: 2023-1-11.0 FMP**

**Effective Date:**

This policy will go into effect immediately upon passage.

**Purpose**

The purpose of this policy is to provide assurance that sub grant awards made to recipients and sub-recipients are fiscally managed according to federal, state and local requirements.

**Background**

The “Agency” identified as The Lucas County Department of Planning and Development (LCDPD) on behalf of the Board of County Commissioners and the Lucas County Workforce Development Board Area 9 (LCWDB) must enter into contracts with other governmental or private entities for the provision of Workforce Innovation Opportunity Act (WIOA) and Temporary Assistance to Needy Families (TANF) services to strengthen and improve Area 9’s public workforce system. WIOA and TANF funds provide assistance to youth and individuals with significant barriers to obtaining high-quality employment and careers. Additionally, WIOA funds assist employers with hiring, training and retaining skilled workers. LCDPD will conduct fiscal compliance monitoring of all recipients and sub-recipients of federal WIOA and TANF funds awarded to Workforce Area #9 in accordance with 20 CFR 683.220 (a).

**Requirements**

Contracts entered into by LCDPD are procured according to the Lucas County Procurement Plan and are monitored by the department’s fiscal monitors.

The LCDPD, appointed by the Board of Lucas County Commissioners as fiscal agent, is responsible for the receipt, disbursement, accounting and reporting of all WIOA and TANF funds awarded by Ohio Department of Job and Family Services (ODJFS). The fiscal monitors provide on-site compliance monitoring and oversight annually or as frequently as needed, throughout the fiscal year to ensure the budget and billing requirements are met. On-site monitoring should be scheduled and performed early in the contract year to allow the recipient or sub-recipient an opportunity to take corrective action.

Fiscal monitoring will encompass a review of the following documents and completes the listed activities for oversight and monitoring of its WIOA and TANF funded recipient or sub-recipients:

1. **Budget Approval:** Recipient and sub-recipient budgets typically use a standardized budget form maintained by the Agency and typically come with a budget narrative document. This budget document is provided to LCDPD by the recipient or sub-recipient.

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2. **Self-Monitoring Questionnaire:** The Self-Monitoring Questionnaire will be completed by the recipient or sub-recipient and is a tool to gain a large amount of preliminary monitoring information regarding the financial & internal control health of a recipient or sub-recipient.
  3. **Risk Assessment:** Risk Assessments help determine the level of the risk of non-compliance the program brings to the Agency and the federal program and dictates the level of monitoring to be performed.
  4. **Invoice Review & Budget Monitoring:** Recipients and sub-recipients typically use Agency cost statements & invoice forms to allow for controlled & uniform reporting of program costs, participant data, and budget tracking.
  - 5 **Recipient and Sub-Recipient Follow-Up Checklist:** Recipient and Sub-Recipient Follow-Up Checklist will be used by the fiscal monitor to ensure the recipient and/or sub-recipient are informed of any areas for improvement and any activity that may lead to an observation or finding.
  6. **Audit Report Review:** Review the recipient's or sub-recipient's most recent annual audit report. Identify any findings and determine if they have been resolved.
  7. **Monitoring Reviews:** Fiscal monitoring reviews are set up with each recipient or sub-recipient according to the need based on the risk assessment or other issues. These may be conducted onsite, via phone/email, or a combination of both.
  8. **Continuous Improvement Plan:** Observations and Findings may result in a Continuous Improvement Plan (CIP) for the recipient or sub-recipient. A CIP outlines corrective action within a local workforce investment area to ensure full compliance with federal and state law and WIOA regulations. This plan must be submitted by a local area when auditing or monitoring reveals compliance issues.
  9. **Corrective Action Plans:** Observations and Findings may result in a Corrective Action Plan (CAP) for the recipient or sub-recipient. CAPs are used to ensure that significant weaknesses discovered during the monitoring process are addressed timely by the recipient or sub-recipient to prevent any ongoing issues.
  10. **Technical Assistance:** Technical assistance is provided to recipients or sub-recipients as needed and/or requested. Assistance may be provided onsite or by other means. Periodic updates may also be emailed to all providers.

Recipient and sub-recipients are required to permit LCDPD and its authorized agents to have access to records and financial statements. LCDPD will issue a final written monitoring report to recipients or sub-recipients at the conclusion of the monitoring review period.

## Definitions

*Agency:* Lucas County Department of Planning and Development (LCDPD)

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*Disallowed costs:* include those charges to a federal award that the awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable federal statutes, regulations, or the terms and conditions of the federal award.

*Sub-recipient:* an entity, usually but not limited to non-Federal entities that receives a sub award from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

*Observation:* recipient and sub-recipient/contractor has not implemented a best practice that could lead to violations of policy, regulation, or law, and the sub-recipient/contractor should take the appropriate actions to implement the steps outlined in the monitoring report.

*Finding:* recipient and sub-recipient/contractor is required to take a specified corrective action and provide the workforce area and/or lead agency with written evidence that the corrective action has been implemented.

*Continuous Improvement Plan (CIP):* A plan that outlines corrective action within a local workforce investment area to ensure full compliance with federal and state law and WIOA regulations. This plan must be submitted by a local area when auditing or monitoring reveals compliance issues.

*Corrective Action Plans (CAP):* Observations and Findings may result in a Corrective Action Plan for the sub-recipient. CAPs are used to ensure that significant weaknesses discovered during the monitoring process are addressed timely by the sub-recipient to prevent any ongoing issues.

## References

[WIOA P.L. \(Policy Letter\) 113-128](#)

[ODJFS WIOA Policy Letter 15-10](#)

[Oversite roles and responsibilities 20 CFR § 683.410 and 683.420](#)

[OAC 5101:9-5-01](#)

[OAC 5101:9-4-88](#)

[Uniform Administrative requirements, cost principles, and audit requirements for federal awards 2 CFR 200](#)

[20CFR 683.220\(a\)](#)