Service Provider Reporting & Audit Requirements Policy

Scope: This policy applies to all service providers operating WIOA programs. This policy is effective (insert date upon SWIB approval).

Policy:

- Service providers must submit quarterly program and financial reports for the adult, youth, dislocated worker, state displaced homemakers, rapid response, and national dislocated worker grants.
- All quarterly program and financial reports are due by 5:00 p.m. on the 25th calendar day of the first month after the quarter end date. Quarter end dates are March 31, June 30, September 30, and December 31.
- Service providers are responsible for annual independent audits per the Uniform Guidance.

Program Quarterly Status Report:

- The program report tracks the progress of the goals as listed on the Scope of Services in the Provider Agreement. That narrative will address difficulties, successes and accomplishments in meeting goals, and point out areas for technical assistance.
- Adult, youth, dislocated worker, state displaced homemakers, rapid response, and national dislocated worker grant program managers will review program narratives as part of the program management process during the grant year. Information gained will be used to provide technical assistance and training to individual providers, providers in a region, and for area and statewide training sessions.
- Service providers must submit the program appropriate quarterly status report from the Forms web page.

Service Provider Performance Sanctions:

- Technical Assistance ensures that service providers have adequate tools to maintain high standards of performance, and the understanding necessary to take the proper action in the event program performance is not improved.
- Sanctions may be applied to the individual service providers for failing to meet performance or resolve monitoring findings. The Programs Monitoring Unit will provide information regarding sanction issues to the appropriate committee(s) of the SWIB. Sanctions include, but are not limited to, the steps described below.
- The following steps are progressive in nature:
  - Technical Assistance.
Corrective action planning and implementation.

Placement on probationary status. Probationary status is a period of not more than two years in which the service provider may have funding reduced or de-obligated; must maintain monthly contact with the Programs Monitoring Unit staff and make appropriate status reports until the service provider has clearly indicated that problems and concerns are corrected.

Re-allocation of funds.

Termination of the Provider Agreement.

Application of Sanctions:

- Sanctions will be based on the severity of the performance problem as follows:
  - Failure to achieve the negotiated performance goals set forth in service provider annual contract.
  - Failure to report timely.
  - Failure to improve program monitoring findings.

Financial Reporting:

- U.S. DOL ETA financial Report, ETA-9130 form will be used and may be modified to encompass all reporting requirements depending upon the federal grant being submitted. Various examples of the ETA-9130 are located on Forms web page. Recipients of grants are required to report expenditures separately for each source of funds cumulatively from the inception of each grant. In order to properly report costs, all grant recipients must establish a reporting system that allows them to incorporate costs at all levels of the system in the Financial Reports (FRs) submitted to the Division Management Bureau (DMS).

Late Reporting:

- Service providers shall receive one written warning notice concerning late reporting. At DMS’s discretion, each subsequent late report will result in the withholding of one percent of the service provider’s administrative total accrued expenditures to date. If the service provider does not receive administrative funding, one percent of total accrued expenditures to date will be withheld. Consistent late reporting may result in the termination of the grant.

Expenditure Limitations:

- When expenditure limits are set on administrative or other cost categories, those limits will apply to actual expenditures and cannot be exceeded without prior written approval from DMS.

Grant Agreement Closeout:

- Each service provider is responsible for developing and maintaining a system to comply with the closeout requirements specified at 2 CFR Part 200.343 and 2 CFR Part 2900.15. To ensure that DMS closes out grants in a timely manner to ETA, the following guidance is established for service providers.
  - Closeout reports are due to DMS by 5:00 p.m. on the 60th calendar day following the end of the grant. If the due date falls on a weekend, the reports are due the following Monday.

Closeout Process:

- The service provider must close and settle its contracts and reconcile all financial activity related to the grant prior to closing the grant with DMS.
- All refunds due to the awarding agency must be made before the closeout or submitted with the closeout documents.
- Pending claims or late arriving invoices must be best estimated and identified in the closeout reports. Once the items are received, reconciliation must be done and sent to DMS to be attached to the reports. If a refund is due to the awarding agency, it must be included with the reconciliation.
- Any refunds, rebates, or credits received after the closeout must be sent to DMS. If stand-in costs were reported, they may be offset by such refunds, rebates, or credits; however, the stand-in costs must have been reported prior to the receipt of the refund.
• DMS reserves the right for further grant adjustments based on audit findings after the closeout reports are submitted.

Closeout Package:
• The closeout package consists of the following forms:
  o Service Providers Submittal of Closeout Documents, including a cover sheet that lists all the documents contained in the closeout package.
  o Financial Report - Various examples are located on Forms web page.
  o If necessary, a copy of the approved indirect cost rate. If indirect costs have been charged to the grant, a copy of the provisional or final rate may need to be included. If the grant is closed based on a provisional rate and the final rate is lower, the grantee is required to recalculate indirect costs and return all excess indirect costs within 45 days of the final rate approval letter.
  o Grantee’s Release – the grantee certifies the release of the grantor agency from further monetary obligations under the grant. Specifically identified claims such as unclaimed wage, Worker’s Compensation claims, or other outstanding claims must be identified and the list attached to the grantee’s release.
  o Grantee’s Assignment of Refunds, Rebates, and Credits – the grantee waives claim to any refunds, rebates, or credits received after the grant has terminated and assures prompt remittance to the grantor agency.
  o Government Property Closeout Inventory Certification – This form provides for an inventory of all real or personal property purchase acquired with grant funds or received from the Federal government where DOL reserves the right to take title, or certification that no such property was acquired with grant funds.

Audit Requirements:
• The service provider is responsible for independent annual audits of its provider agreement and costs associated therewith. If a service provider qualifies under the single audit act amendments of 1996, the service provider shall have an audit conducted in accordance with Office of Management and Budget (OMB) uniform guidance 2 CFR part 200 Subpart F and the applicable audit standards set forth in the Standards for Audit of Governmental Organization, Programs, Activities and Functions issued by the Comptroller General of the United States.
• Any audit findings in connection with the provider agreement shall be resolved with the grantor within 180 days of the publication of the final audit report. The grantor may, in its sole discretion, also require additional audits. The service provider will pay these additional costs.
• Responsibility for audit costs and for maintaining complete financial records remains with the service provider.
• Service providers having a single audit conducted are to inform the auditing firm that audits are to be made in accordance with the:
  o Generally Accepted Governmental Auditing Standards (GAGAS)
  o OMB Uniform Guidance 2 CFR Part 200 Subpart F
  o AICPA Generally Accepted Auditing Standards
• The audits will include at a minimum:
  o The systems of internal control;
  o Designation of major programs;
  o Designation of risk;
  o Compliance with laws, regulations, contracts/grants;
  o Financial statements and federal wards schedule; and
  o Prior year audit findings.
• The examinations are to determine whether:
  o There is effective control over and proper accounting for revenues, expenditures, assets and liabilities;
Financial statements are fairly presented in accordance with generally accepted accounting principles; and

Funds are being expended in accordance with the terms of provider agreements and those provisions of federal law or regulations that could have a material effect on the financial statements or the awards tested.

- Service providers will follow the purchasing policy for acquiring the necessary audit services.
- A copy of the final audit report is due to the Programs Monitoring Unit within the earlier of 30 days after publication of the auditor’s report, or nine months after the end of the audit period.

**Audit Resolution:**

- The Administrative Entity for SWIB will require the return of all funds that were not expended in accordance with laws and regulations.

**References:**

- [2 CFR 200.343 Closeout](#)
- [2 CFR 2900.15 Closeout](#)
- [2 CFR 200 Subpart F - Audit Requirements](#)