

WIA/ARRA FINANCIAL MANAGEMENT

Contractor: _____

Monitoring Date: _____ Monitor's Name: _____

Although the Local Area does not prescribe a uniform accounting system, each recipient of WIA/ARRA funds must comply with the terms of the contract or subcontract under which the WIA/ARRA funds are paid.

Each recipient shall establish and maintain a financial management system, which provides for adequate control of grant or agreement funds and other assets; ensures the accuracy of financial data; and provides for operational efficiency and for internal controls to avoid conflict-of-interest situations and to prevent irregular transactions or activities. The recipient shall ensure that its financial management system meets the following standards:

(a) Reporting. The recipient's reporting procedures shall provide accurate, current, and complete disclosure of the financial results of each grant or agreement. The recipient shall report on an accrual basis. A recipient whose records are not maintained on an accrual basis may develop accrual data for reports on the basis of an analysis of the documentation on hand. In such cases, the recipient's accounting process must provide sufficient information to compile data to satisfy the accrued expenditure reporting requirements and to demonstrate the link between the accrual data reports and the non-accrual fiscal accounts; and the recipient shall retain all such documentation for audit and monitoring purposes.

(b) Records. The recipient shall maintain records which identify adequately the source and application of funds for grant or agreement supported activities. The recipient shall ensure that the records systematically assemble information concerning federal awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income into balance sheet format for internal control purposes.

(c) Control of Assets. The recipient shall maintain effective control over and accountability for all project funds, property, and other assets. The recipient shall safeguard assets and shall assure that they are used solely for authorized purposes.

(d) Comparison of Outlays with Budget. The recipient shall compare outlays with budgeted amounts for each grant or agreement and, when required by performance reporting requirements of the grant or agreement, show the relation of financial information to performance data, including the production of unit cost data if appropriate.

Who is contractor's designated staff person responsible for fiscal duties, and is this the same person named in the contract application?

Yes No N/A

Name Title

Verify that the contractor has a copy of the following:

1) A copy of the Office of Management and Budget (OMB) circular appropriate to the organization.

Check one of the following:

- (a) OMB Circular A-21, revised December 2, 1986, is applicable to Educational Institutions, defined a public and private institutions of higher education.
- (b) OMB Circular A-87, revised January 28, 1991, is applicable to State and Local Governments, and federally-recognized Indian Tribal Governments.
- (c) OMB Circular A-122, revised May 19, 1987, is applicable to non-Profit Organizations, including non-reservation Indian organizations.

CURRENT CONTRACT(S):

CONTRACT AMOUNT(S)

2) A copy of the Uniform Administrative Requirements (UAR) or "common rule" 29 CFR 97 adopted by DET.
 Yes No N/A

3) Provide a Brief Summary of the Internal Accounting and Administrative Controls from the most recent audit or audit history:

Date the last Audit was completed: _____ Period Covered: _____

Date next audit is expected to be completed: _____

4) Does the contractor have any fiscal and/or fiscal related problems cited in the latest audit that continue to exist?
 Yes No N/A

If yes, describe:

5) Where are fiscal records kept?

6) Is contractor in compliance with the requirements for reporting and submitting Monthly Invoices?

Yes No N/A

7) What books of account are maintained? (List by title or in the case of a computer system list the printouts that are equivalent to books of account in a manual system).

NOTE: A minimum should be the following:

- Cash Receipts Journal, or Cash Receipts/Disbursement Journal combination, and General Ledger.

- 8) Are the books of account posted on a current basis? Yes No N/A
- 9) Does contractor run a trial balance on the General Ledger at least monthly? Yes No N/A
- 10) Are Project Monthly Invoices prepared from the General Ledger? Yes No N/A

Perform a test sample for a month.

<u>Month/Yr</u>	<u>Total Per General Ledger</u>	<u>Total Per Monthly Invoice</u>	<u>Difference</u>
_____	_____	_____	_____

Explanation for any differences:

- 11) Is the contractor reporting accruals? Yes No N/A
- 12) If yes, is there documentation and/or data to support accruals?

- 13) Is the bank statement(s) reconciled each month? Yes No N/A
- 14) Is the drawing of checks payable to cash prohibited? (Exception can be for petty cash Account). Yes No N/A
- 15) Is signing of checks in advance prohibited? Yes No N/A
- 16) Is more than one signature required on checks? Yes No N/A

Bonding and Insurance

- 1) Are all persons bonded who are authorized by the Contractor to receive or disburse WIA/ARRA funds, issue financial documents, or checks for payment of program costs? Yes No N/A
- 2) Bond Coverage is \$ _____
- 3) Does the Contractor maintain general public liability insurance? Yes No N/A
- 4)
If yes, the amount of the general liability coverage is: \$ _____

Indirect Cost

- 1) Does contractor have indirect costs budgeted in any of the programs under contracts? Yes No N/A
- 2) If yes, do they have an indirect cost agreement on file? Yes No N/A
(please attach a copy)

Direct Cost Allocation Plan

Any WIA/ARRA Contractor or Subcontractor who operated WIA/ARRA and non-WIA/ARRA programs, or who operates more than one WIA/ARRA project must prepare and maintain on file a detailed plan for allocating any shared costs to the projects that

benefit from these costs. This plan must set forth the rationale for all allocations of shared costs and must be used to allocate all costs except for separate disbursements that benefit only one project. Project budgets will, of necessity, be based on estimated costs, but allocations of costs must be based on actual costs incurred.

- 1) Does contractor have joint cost but not using the indirect cost method? Yes No N/A
- 2) If yes, does contractor have a written cost allocation plan? Yes No N/A
(If yes, attach a copy to this document)
- 3) Does contractor allow making loans from WIA/ARRA funds to non-WIA/ARRA funding sources? Yes No N/A
- 4) Does contractor allow loans to participants? Yes No N/A
- 5) Does contractor allow loans to staff? (NOTE: Any advance to a staff member for work that has not been earned would be a loan.) Yes No N/A

Participant Time Sheets

Participants receiving wages for work must have time sheets to support payrolls.

- 1) Does contractor require time sheets for participants receiving wages? Yes No N/A
If yes, do the time sheets have at least the following:

	<u>YES</u>	<u>NO</u>	<u>N/A</u>
(a) Dates covering payroll period?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Time worked recorded each day?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) Total Hours?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) Signature of participant?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) Signature of supervisor and/or counselor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- 2) Is preparation of participant payroll separate from and independent of the delivery of paychecks? Yes No N/A
- 3) Are payees required to sign register/receipt in order to receive a paycheck? Yes No N/A
- 4) Does contractor allow the pre-signing of time sheets? Yes No N/A
- 5) Does contractor allow participants to have control of their time sheets? Yes No N/A

Staff Time Sheets

- 1) Does contractor have time sheets for staff? Yes No N/A
- 2) If yes, are time sheets signed by employee and supervisor? Yes No N/A
- 3) Are time/effort forms being utilized to reflect accurate charges on timesheets? Yes No N/A
- 4) Where applicable, do time sheets reflect actual time worked for different WIA/ARRA funds(30%/70%), cost categories and non-WIA/ARRA work? Yes No N/A
- 5) Who verifies time sheets for accuracy? Name: _____
- 6) Are changes in pay rates made effective through formal authorization? Yes No N/A
- 7) Does contractor have on file W-4 and NC-4 Tax Forms and I-9's on all staff and participants as appropriate? Yes No N/A
- 8) Are quarterly tax reports submitted in a timely manner to avoid penalty and interest charges? Yes No N/A

Staff Travel

- 1) Does contractor require travel vouchers to support all travel? Yes No N/A
- 2) Do vouchers provide for traveler's signature and a signature of approval? Yes No N/A
- 3) Do vouchers need to be accompanied by receipts for lodging and meals when reimbursing for actual costs?
Yes No N/A
- 4) Does contractor allow travel advances? Yes No N/A

If yes, how does the contractor control outstanding advances?

- 5) Is car mileage reimbursed based on actual miles traveled? Yes No N/A
- 6) If yes, what is the rate per mile _____/mile

Other Staff related expenses

- 1) Does contractor have a retirement/pension plan for staff? Yes No N/A

If yes, are all staff required to participate? Yes No N/A

- 2) Is contractor on the contributing or the reimbursement method for unemployment insurance?

Contributory _____ Reimbursement _____

- 3) Is contractor billing WIA/ARRA and setting aside funds in an escrow account for this purpose?
Yes No N/A

Supportive Services:

Do case managers assist customers in researching and obtaining other available resources before using WIA/ARRA funds to provide supportive services?

Yes No N/A

Child Care

- 1) Is child care for participants paid directly to the provider? Yes No N/A
- 2) Is payment based on itemized invoice? Yes No N/A
- 3) Are WIA/ARRA funds used to reserve a block of child care slots? Yes No N/A

Participant Travel -

- 1) Is contractor paying participant travel? Yes No N/A

If yes, list type(s): _____

- 2) Is there proper documentation to support costs incurred? Yes No N/A
- 3) Is contractor paying participant travel according to Region D policy? Yes No N/A
- 4) Does contractor's fiscal system provide a procedure for comparing time sheets with travel reimbursements to ensure travel reimbursements are being made only for days attended? Yes No N/A

Perform at least a one week test, comparing time sheets/class schedule with travel reimbursements (please attach the results).

Other Supportive Services Costs -

1) Are other supportive services offered to clients? Yes No N/A

Please list: _____

2) Are these supportive service costs allowable? Yes No N/A

Is adequate documentation maintained including at a minimum:

	<u>YES</u>	<u>NO</u>	<u>N/A</u>
(a) Name of participant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Actual services rendered, and date provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) Itemized cost of services rendered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) Signature of provider stating that services were provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) Signature of participant stating that services were received.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f)			

Do a test on participants to reconcile travel reimbursements, child care costs, or supportive services costs to Employability Plan and other documentation for need and attendance sheets/timesheets. (Please attach the results)

Participant Benefits

1) Are all participants provided workmen's compensation insurance and/or coverage under a medical and accident insurance policy? Yes No N/A

2) Has contractor ensured that participants that are concurrently involved in a work and class training have been adequately covered in both situations? Yes No N/A

Property Management

1) Does contractor maintain a record of all WIA/ARRA property? Yes No N/A
(All items purchased with WIA/ARRA funds that are defined as non-consumable goods)

2) Does contractor take periodic inventories? Yes No N/A

3) Date of most recent inventory _____

4) Has contractor designated a person to manage property, to maintain a property listing, and to check physical inventory?
Yes No N/A

If yes, name of person: _____

Please attach a copy of the Local Area/WIA/ARRA inventory and the contractor's WIA/ARRA inventory of equipment purchased with WIA/ARRA/NCETP Funds.

5) Does contractor know what to do in case of vandalism or theft of WIA/ARRA property? Yes No N/A

6) Does contractor own any property for which WIA/ARRA is charged on a shared costs basis? Yes No N/A

If yes, list the property, amount charged, and describe the basis for the charge below.

- 7) Does contractor use a competitive process when purchasing property? Yes No N/A
- 8) Does contractor get prior approval before obtaining professional services? Yes No N/A
- 9) Does contractor have a written maintenance policy on file? Yes No N/A
If yes, attach.

- 10) Does contractor lease or rent a building or office space which is charged in whole or part to WIA/ARRA? Yes No
N/A

If yes, is there a lease or rental agreement. Yes No N/A **If yes, please attach copies.**

If yes, do the lease/rental agreement and the totals being charged agree? Yes No N/A

- 11) Does contractor own the building for which rent is charged to WIA/ARRA? Yes No N/A
If yes, what amount is charged and what is the basis for the charges to WIA/ARRA:

Subcontractor and/or OJT Contractor

- 1) Does contractor have subcontractors or OJT contracts? Yes No N/A
If yes, what staff personnel is responsible for monitoring?

Name Title

- 2) Who is responsible for comparing timesheets to invoices submitted by employers:_____

- 3) Is documentation of monitoring available for review? Yes No N/A
If yes, describe monitoring or attach a sample.
