

**Wisconsin Department of Workforce Development
Division of Workforce Solutions**

Fiscal Monitoring Guide for 2006

Agency Name / Location: _____

Agency Staff Interviewed: _____

Reviewer / Date: _____

Sections: (Fiscal year to be sampled is Jan – Dec, 2006)

- A-1 Cost Allocation
- A-2 Subcontracts
- A-3 Monitoring of Subcontractors
- A-4 Agency Policies and Controls
- A-5 Procurement
- A-6 Direct Labor
- A-7 Other Direct Costs
- A-8 Fiscal Reporting
- A-9 Participant Support Payments
- A-10 Insurance

Summary of Review

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A – 1: Cost Allocation: Vendor / Ck # / Amount / Note

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A – 2: Subcontracts: Agency / Dates / Award / Amount

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A – 6: Direct Labor: Staff / Dates / Timesheets / PD

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A – 7: Other Direct Costs: (Invoices, Subcontracts) Vendor / Ck # / Amount / Note

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A – 9: Support Service Payments: Vendor / Ck # / Amount / Note

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Notes

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A-1 Cost Allocation

1) Does a written cost allocation plan exist?
Last updated _____

2) Does the agency have a policy for identifying and separating direct and common costs?

3) Does the CAP identify each cost pool used?

4) Are the allocation bases for each pool valid?
(square feet for building use; FTEs for staff costs)

5) Could any cost pools be reduced or merged?

6) Was the most recent allocation done in accord with the plan? (math OK)

7) Is the cost pool reduced to zero monthly?

8) Does the CAP list all revenue sources and include an organization chart?

9) Do private agencies use 100% staff time reporting, if needed, for its CAP?

10) Sample 12 transactions from the cost pool:
Costs must be: documented, allowable, pooled.

Note: If a Federal Indirect Cost Rate is used, then Q#11 & #12 apply for 2006.

11) For 2006, does the cost distribution base exclude subcontracts > \$25,000?

12) For 2006, does the cost distribution base exclude direct client benefits/payments?

W/P # _____ By _____ Date _____

Summary:

A-2. Subcontracts

- 1) Does the Agency have subcontracts related to DWD programs?
 - a) Have all new subcontracts been sent to DWS within 15 business days of issuance?
 - b) Has a list of all subcontracts been sent to DWS within 10 business days of each quarter end?
 - c) Have any financial relationships between the agency and the subcontractor been disclosed to DWS? (Similar boards or staff, loans, ownership)
 - d) Do applicable DWS/agency contract provisions extend to subcontracts?
 - e) How does the agency ensure subcontractors are not debarred or suspended?

2) Sample 5 subcontracts. Emphasize subcontracts that are large, complex or fixed fee. Expand the sample if issues exist.

3) How does the agency ensure the subcontractor has funds to pay for any non reimbursable costs?

- 4) Do the current subgrantee contracts have:
- a) Cover page (dates, amount, signed) ___
 - b) Terms / conditions ___
 - c) Attachments / Lobby ___
 - d) Program plan (narrative) ___
 - e) Budget ___
 - f) Modifications ___

- 5) Do the subgrantee budgets have:
- a) Cost reim or fixed fee stated ___
 - b) Line item budget detail, if reim ___
 - c) Cost/unit, if fixed fee ___
 - d) Consistency with program plan ___
 - e) Proper subgrantee invoices ___
 - f) Revised budgets, if needed ___

- 6) Does the agency:
- a) Maintain separate subcontract files ___
 - b) Maintain a summary of payments ___
 - c) Require a conflict of interest form ___
 - d) Maintain audit register ___
 - e) Use an audit desk guide ___
 - f) Close audit reports ___

- 7) Are subgrantee invoices:
- a) Submitted timely ___
 - b) Either line item or fixed fee ___
 - c) Describe services done ___
 - d) Approved by agency staff ___
 - e) Compared to budget ___
 - f) Accrual based ___

W/P # _____ By _____ Date _____
 Summary:

A-3. Monitoring of Subcontractors

- 1) Does a written schedule for monitoring subcontractors exist?
- 2) If a risk based monitoring plan is used, is it adequate?

- 3) Is a desk review of subcontractor activity done? Is the guide adequate?
- 4) Is an on site review of subcontractor activity done? Is the guide adequate?
- 5) Is a written monitoring report sent to the subcontractor?
- 6) Is a reply (corrective action) required?

W/P # _____ By _____ Date _____
 Summary:

A-4. Agency Policies and Controls

- 1) Is the FPM: written, complete and current? Last updated _____
- 2) Have agency staff and subcontractors been trained on cost allowability?
 How? _____ When? _____
- 3) Does staff know how & where to access online Admin Memos, manuals, laws, OMBs?
- 4) Does the agency have and follow a policy of capitalizing and depreciating equipment?
 Equipment (> \$5,000: no direct DWS cost charging, depreciation charging only)
 - a) For DWS charges, is the equipment use comparable to the depreciation claimed?
 - b) Is the equipment comparable for its use?
 - c) Is the life expectancy used reasonable?
 - d) Is the straight-line depreciation method used?
 - e) Does the agency maintain inventory records?
 - f) Did charges for depreciation end when the equipment was disposed of, removed from service, or had its life expectancy end?
 - g) Are real estate improvements treated as equipment?
- 5) Obtain Monitoring Report Closure Letter (Year 3)
 - a) Have all 'closed' items been followed?
 - b) Have all 'open' items been corrected? Discuss and/or obtain data.
- 6) Is the agency adhering to the Sarbanes-Oxley Act?
 (For-profit/publicly traded companies must follow completely).
- 7) Ensure a terminating agency and its subcontractors do not purchase large supply items at the end of the award.

- 8) Does cost sharing (for facility & services) exist at Job Centers?
- 9) Does a Cash Flow Projection exist? (30, 60, 90 days)
- 10) Is the agency subject to Incentive Based Contracting?
If yes, have the program outcomes been met to ensure the 20% award supplement?

W/P # _____ By _____ Date _____
Summary:

A-5 Procurement

- 1) Does a written procurement policy exist?
Last updated: _____
- 2) Are procurements made from the Preferred Provider Register, as needed?
(Admin Memo #05-04)
- 3) Are these steps performed?
(RFP, Proposals, Cost/Price analysis, Evaluation)
- 4) Is all internal or sole source activity justified?
- 5) Are there any conflict of interests between the agency and the provider?

W/P # _____ By _____ Date _____
Summary:

A-6) Direct Labor:

- 1) Select 2 employees charged to this program.
- 2) Do current written job descriptions exist?
- 3) Are duties in the job descriptions grant related?
- 4) Were the labor costs charged to the proper award? (direct cost & pool cost)
- 5) Were costs charged to the proper time period?
- 6) Were timesheets prepared timely and signed by employee & supervisor?
- 7) Does the time/salary charged to agency awards equal the amount paid to employees?

- 8) Do timesheets record 100% of employee's time?
- 9) Does 1 document exist per employee per pay period?
- 10) If time studies are done, are they supported by adequate documentation?

W/P # _____ By _____ Date _____

Summary:

A-7) Other Direct Costs:

- 1) Select sample of 12 Direct Costs & 12 Subcontract Costs. Sample may be reduced.
- 2) Are there purchase orders, invoices?
- 3) Are the POs approved prior to purchase?
- 4) Are costs program related?
- 5) Are costs incurred within the contract period?
- 6) Are costs actual, reasonable, necessary?
- 7) Are costs charged to the proper award and line code?
- 8) Are invoices: verified, approved, cancelled?

W/P # _____ By _____ Date _____

Summary:

A-8) Fiscal Reporting:

- 1) Does latest CORE claim reconcile to agency ledger?
- 2) Were costs reported on the correct CORE line code? Ensure Admin, Program, Client Benefits are reported separately.
- 3) Does CORE include accrued cost? Are accrued amounts fair?
- 4) Is CORE Information Reporting done properly? Are indirect costs fair?
- 5) Were the last 2 CORE claims submitted timely (25 days)?

W/P # _____ By _____ Date _____
Summary:

A-9) Participant Support Payments

1) Select sample of 6 payments. Are the payments allowable per the case file?
(child care, mileage, work items, EA, JAL)

W/P # _____ By _____ Date _____
Summary:

A-10) Insurance

- 1) Does the agency have adequate Workers Compensation coverage?
- 2) Does the agency have adequate liability coverage? Bonding coverage?

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