

Part Two: W-2 and Related Programs Plan

Section One: Management and Financial Accountability

1. MANAGEMENT AND FINANCIAL ACCOUNTABILITY RESPONSE ITEMS

This Section of the W-2 and Related Programs Plan addresses the agency's ability to financially administer and manage W-2 and Related Programs.

1.1 Program Identification/Organization

Summary:

The Department is seeking agencies with quality program management and leadership skills and the professional and technical experience and resources to successfully administer W-2 and Related Programs.

Response Items:

Complete the Agency Identification Form (Form 1) of these Re-contracting Instructions.

1.2 Consortium RFS Plans

Summary:

RFS Agencies that have multiple contracts are strongly encouraged to submit one RFS Plan for a consortium that includes all of the geographic areas covered by the contracts that met RFS. This is explained and a consortium is defined in Part One, Section One, 2.7 of these instructions.

Response Item:

If a consortium is proposed by a RFS Agency for multiple contracts that have met RFS, complete the Request for Consortium Formation (Form 1B). The RFS Agency must complete and submit items 1-5 of the Request for Consortium Formation (Form 1B).

1.3 RFS Plan Development

Summary:

The development of this plan is the responsibility of the RFS Agency. The agency is accountable for its content and for the accuracy with which it reflects the agency's management and financial accountability, program services and outcomes, and budget.

Response Items

- a) Identify the individual or individuals who prepared this plan, their title and the name of the agency where employed.
- b) Identify what services your agency has procured to assist in the development of this plan, including each service and the name of the agency or individual providing the service, address, estimated cost, and the principal individual who did the work. Include services provided from subsidiaries or affiliates of your organization as well as other entities.

1.4 Staffing, Compensation and Personnel Policies

Summary:

The RFS Agency must demonstrate the ability to provide adequate staffing to administer the W-2 and Related Programs, and have written personnel policies. Salaries and compensation policies must be comparable and consistent with other employment and training agencies, human/social service agencies, and personnel in the geographic area. The Department will review for appropriateness.

Response Items:

- a) Provide an organizational chart depicting your agency's staffing for the W-2 program, including the position titles and Full Time Equivalent (FTE) status. Also identify any positions that are contracted rather than your agency's employees.
- b) Provide a list of staff to be funded by the W-2 Program. For each staff person, provide their position title, hourly wage and annual salary, along with the planned percentage (%) and annual amount to be funded by the W-2 Program.
- c) Provide your agency's policies governing wage increases, individual bonus or incentive payments and severance payments.
- d) Describe your agency's process for recruiting and filling vacancies in a timely manner, and how your agency will maintain staff to address the workload, including how vacancies will be covered.
- e) Describe your agency's employee performance evaluation process related to this W-2 Contract, including the use of Contract Performance Standards and quality of service to W-2 job seekers and other customers. Include the frequency of such reviews, content, and measures taken when performance is not acceptable.

1.5 Fiscal Policies, Procedures and Internal Controls

Summary:

The W-2 Contract Agency is required to comply with all federal and state financial rules and regulations to guarantee that state and federal funds are used appropriately, efficiently and effectively to provide services to eligible persons as required by the W-2 Contract. The W-2 Contract Agency is required to provide effective financial management that includes establishing and implementing appropriate internal management and financial controls within the organization to prevent misuse of state and federal funds as a result of errors, bad judgment and/or fraud.

Response Items:

Describe your agency's financial management system; include the following in your response:

- a) The titles and a brief position description of all agency positions that will be involved in any work required for this contract and are responsible for

approval of financial transactions and the types and levels of expenditures designated for approval authority. Each position must include the scope of authority and the minimum level of experience and qualifications for that position.

- b) How agency staff and any subcontractors are trained on allowable cost policies, including how to determine that a cost is appropriate within the W-2 Contract.
- c) Your agency's requirements and methods for documentation of expenses, their purpose and allowability that demonstrate that expenses charged to the W-2 Contract are appropriate, reasonable and necessary, properly allocated, and meet all other federal and state requirements.
- d) The oversight process your agency uses to ensure that internal controls are effective and contract requirements are met. Also describe the internal management and financial controls used to ensure adequate oversight of the financial operations.
- e) Your agency's procurement rules and regulations as they relate to the provision of services under the W-2 Contract, in particular how your agency assures open and competitive procurement.
- f) An overview of your cost allocation plan, including how you treat subcontract costs and client benefits in the allocation base.
- g) A copy of the written policy on conflicts of interest and evidence that subcontractors have received a copy and signed it.

1.6 Boards (Applicable to Private Agencies only)

Summary:

The W-2 Contract Agency must demonstrate adequate Board or alternative oversight and independence to operate the W-2 Program. This section applies only to the private agencies.

Response Items:

Provide the following information:

- a) The names of all Board members, where they work and the names of any other Boards on which they serve.
- b) A copy of the by-laws and when they were last updated;
- c) A planned schedule of Board meetings for the next year and a schedule of board meetings actually held for the past two (2) years and copies of the agendas for those meetings.
- d) Identify what financial information is provided to the Board, on what schedule, who prepares the information, including the individual(s) title and agency where employed.
- e) Board members' financial training and/or member backgrounds to ensure they understand the financial information provided.

- f) Who prepares the minutes of the Board meetings, where the minutes are maintained and to whom they are distributed.
- g) A copy of the written policy on conflicts of interest and evidence that the Board members have received a copy and signed it.

1.7 Audits and Financial Strength

Summary:

The W-2 Contract Agency must demonstrate adequate audit coverage and financial strength to operate the W-2 Program. Failure to submit audit reports or requested financial information timely during the contract period will result in the withholding of contract payments.

Other Financial Disclosures: There is a provision in WI Stat. 49.143(1) (ac) that requires private W-2 Agencies to submit a filing fee of \$50.00 and a disclosure of economic interests. Other financial reporting requirements may also be added during the course of the contract as a result of contract monitoring, audit and other legislative actions.

Response Items:

Provide the following information:

- a) Identify members of your audit committee.
- b) Indicate whether your agency plans to rotate audit firms or lead auditors with a firm on a regular basis and the basis for your decision (applicable to private agencies only).
- c) The number of audit adjusting entries your audit firm recommended in performing the most recently completed audit.
- d) For private agencies only, provide one set of audit reports for each of the last two (2) years; including management letters if an audit has been performed, the current operating budget, financial statement(s) and other pertinent financial information, certified by the Chief Financial Officer (CFO) and Chief Executive Officer (CEO), that documents the financial status of your agency.
- e) Describe how you have resolved any audit findings or any issues raised in the audit reports, management letters, and any related corrective action plans for each of the last two years.
- f) For private agencies, provide the net assets as of the end of your last fiscal year and the change in net assets over the last fiscal year. If either amount is negative, please explain how this occurred and the steps you have taken to correct the problems.
- g) The total bid amount and the actual costs billed for the last completed single audit.
- h) A statement on potential claims or liabilities required by Contract Section 35.

1.8 Subsidiaries, Affiliates, Parent Companies and Related Parties (Applicable to Private Agencies only)

Summary:

The W-2 Contract Agency must disclose any W-2 program related dealings or transactions that are less-than-arms-length (see definitions in Appendix F of these instructions) in nature.

Response Items:

Please provide the following information:

- a) Identify all subsidiary, affiliated, parent companies or otherwise related parties. Provide organizational charts and a description of the relationship.
- b) If you have planned subcontracts or financial dealings with any of these parties, describe how the amount was set if competitive bids were not used.
- c) Describe your management control structure and each related party to assure disclosure and reporting of all material related party transactions.
- d) Identify the amount of W-2 Contract funds that will be subcontracted to any affiliates, subsidiaries or otherwise related entities and the purpose of each.

1.9 Subcontracts and/or Purchase of Services

Summary:

The W-2 Contract Agency may purchase services and/or subcontract for some or all of the services covered under W-2 and Related Programs.

For additional information, RFS Agencies should refer to Administrator's Memo [06-10 W-2 and Related Programs Subcontracts](#).

Response Items:

Describe your agency's plan for purchasing services and subcontracting in accordance with the Department's policies and procedures, include the following information in your response:

- a) Identify the procurement method for new subcontracts and anticipated completion date, including the following:
 - A description of the method of procurement;
 - Services to be procured;
 - Funding amount planned; and
 - Length of subcontract
- b) Identify current subcontracts, including affiliate, subsidiary and related party contracts that will be extended into the 2010-11 contract period in accordance with the policy, including the following:
 - Provider name and address;
 - Contact person and phone number;
 - Service(s) purchased and the cost of the service;

- Indicate if the provider is a faith-based organization and/or a Minority Business Enterprise (see definitions in Appendix F);
 - Describe the provider's experience in delivering the identified service(s);
 - Describe the procurement method that was used to select the provider; and
 - The length of the subcontract
- c) Describe the process your agency uses to assure competition in your selection process of providers, including a description of the bid process proposal, and price (cost) consideration.
- d) Describe any financial relationships between key subcontractor staff and key staff in the W-2 Contract Agency. These relations could include: 1) a direct financial interest; 2) authority over financial decisions; 3) loans made or received; or 4) key staff that is a director, officer, trustee or employee of the other entity.
- e) Identify internal control procedures to assure there is oversight of staff on the procurement of subcontracts or changes in services procured from subcontracts.

1.10 Financial Monitoring

Summary:

The W-2 Contract Agency must implement an internal management system to guarantee oversight of the agency's financial operations, including on-site fiscal reviews of subcontractors.

Response Items:

- a) Describe your agency's plan for monitoring the following areas:
- 1) Contract compliance, including compliance with the Department Policies and Procedures and the W-2 and Related Programs Plan;
 - 2) Funding/Expenditures; and
 - 3) Subcontracts, including on-site fiscal reviews

For each of the above three (3) key areas, respond to the following as they relate to your Plan:

- Frequency of reviews;
- Staff position's experience, qualification and title that lead and/or participate in the reviews and their roles;
- Tools utilized;
- Measures utilized to gauge success, including those beyond Department requirements;
- Communication of results and to whom (e.g., Board, Audit Committee Staff Member);
- Process used in the event that improvements or required remedial action are identified, including timely notification to the Contract Manager; and
- Process used in the event that a need for Corrective Action is identified by the Department

- b) Describe your agency's plan to examine its review processes to ensure they are being followed and whether they are effective. In addition, explain how your agency will provide this information to the Department.

1.11 Job Center System

Summary:

The W-2 Contract Agency must describe how they will share costs with other Job Center partners if the Agency is co-located within the Job Center system.

Response Items:

If planning to co-locate with other Job Center partners, identify:

- Your agency's plan to address facilities cost sharing; and
- Your agency's plan to address services cost sharing

1.12 Designation of Confidential and Proprietary Information Form

Summary:

Agencies are allowed to request confidentiality of trade secrets that meet Wisconsin Statutes Section 134.90(1)(c).

Response Item:

If applicable, complete the Designation of Confidential and Proprietary Information (Form 5) of these instructions.

1.13 Certification Regarding Debarment Form

Summary:

The W-2 Contract Agency certifies that neither the agency nor any of its principals are debarred, suspended, or proposed for debarment from federal financial assistance (e.g., General Services Administration's List of Parties Excluded from Federal Procurement and Non-Standard Programs). The agency will obtain certifications from subcontractors stating that neither the subcontractors nor potential sub-recipients, contractors, or any of their principals are debarred, suspended or proposed for debarment.

Response Item:

Complete the Certification Regarding Debarment (Form 7) of these instructions.

1.14 Lobbying

Summary:

The W-2 Contract Agency must sign the Certification Regarding Lobbying to certify that it has complied with federal law by not using federal funds to lobby any federal or state employee or legislator in connection with the award of the W-2 Contract.

The W-2 Contract Agency must complete the Disclosure of Lobbying Activities to disclose any funds other than federal funds that have been used for such lobbying with a contract or subcontract award. This form only needs to be completed if there is lobbying in connection with a contract or subcontract.

The lobbying certification section does not apply to an American Indian tribe with respect to expenditures permitted by other federal laws.

The Department will monitor W-2 Contract Agencies for compliance with requirements related to lobbying.

Response Item:

Complete the Lobbying Form (Form 8) of these instructions, and if applicable, complete the Disclosure of Lobbying Activities (Form 9) to the Management and Financial Accountability Response Items.

1.15 \$50.00 Filing Fee and Statement of Economic Interests

Note: This section is not applicable to Counties or Tribes.

Summary:

WI law requires that proposers, who have either earned RFS or who are submitting a proposal to the W-2 RFP, include a \$50.00 proposal filing fee and statement of economic interests that discloses specific financial information. This financial disclosure response information is included in these response items 1.7 through 1.9.

Additionally, if an agency other than a county or a tribe is awarded a W-2 contract, one year after entering into the contract, the W-2 Agency will be required to submit to the department an updated Statement of Economic Interest Form with \$50.00 filing fee. (Form 12). Informational only, no response at this time.

Response item:

With your RFS Plan, include a \$50.00 check made payable to the WI Department of Children and Families.