



WORKFORCE DEVELOPMENT BOARD

Supporting the Development and Retention of a World Class Workforce

Jeffrey S. Swartz, Executive Director

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**Camden County Workforce Development Board
Fiscal Monitoring Policy
One-Stop Operator, Career Services, and Youth Program Subrecipients**

1. Introduction

The Workforce Development Board (WDB) is responsible for ensuring effective stewardship of Workforce Innovation and Opportunity Act (WIOA) Title I funds. This Fiscal Monitoring Manual outlines the standards, procedures, tools, and documentation requirements used to conduct oversight of the One-Stop Operator, Career Services Providers, and Youth Program Subrecipients.

This manual is intended to: - Establish consistent monitoring procedures. - Ensure compliance with federal, state, and local regulations. - Promote fiscal integrity, transparency, and accountability. - Identify risks, provide technical assistance, and correct deficiencies.

2. Regulatory Authority

Fiscal monitoring is required under the following regulations: - Workforce Innovation and Opportunity Act (WIOA) - 20 CFR 683.200 – Subrecipient Monitoring and Oversight - 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements - State Workforce Agency Directives - Local Workforce Development Board Policies

3. Roles & Responsibilities

Workforce Development Board (WDB):

- Conduct annual fiscal monitoring of all subrecipients.
- Issue monitoring tools, reports, and corrective actions.
- Review financial reports and supporting documentation.
- Maintain monitoring records.

Subrecipients:

- Maintain adequate financial management systems.
 - Provide required documentation in a timely manner.
 - Implement corrective actions as assigned.
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4. Monitoring Framework

The WDB uses a multi-step monitoring framework:

1. Risk Assessment
2. Desk Review
3. On-Site or Virtual Monitoring
4. Transaction Testing
5. Reporting Findings
6. Corrective Action Plan (CAP) Review & Follow-Up
7. Close-Out

5. Annual Risk Assessment

The Risk Assessment determines monitoring frequency and depth.

Risk Indicators:

- Prior findings or questioned costs
- Staff turnover in fiscal or leadership positions
- Timeliness and accuracy of financial reporting
- Internal control strength
- Subaward size and complexity

Risk levels: - Low (0–3 points) – Standard annual monitoring - Medium (4–7 points) – Enhanced review - High (8–12 points) – Priority monitoring; expanded sampling

6. Desk Review Procedures

The desk review evaluates systems and documentation submitted prior to on-site monitoring.

Required Documents

- Organizational chart and staffing plan
- Approved budget and cost allocation plan
- Indirect cost rate documentation
- Fiscal policies and internal controls
- General ledger for the review period
- Trial balance

- Bank statements and reconciliations
- Procurement policy and records
- Payroll records and timesheets
- Participant cost documentation
- ITA documentation
- Supportive services logs
- Youth incentive logs
- Subrecipient audit (Single Audit or financial statements)

7. On-Site/Virtual Monitoring Procedures

The on-site review validates the accuracy of desk review findings and evaluates real-time fiscal practices.

Areas of Review

A. Financial Management & Internal Controls

- Written policies covering cash, payroll, procurement, and record retention
- Segregation of duties
- Financial system capacity
- Record retention practices

B. Allowable Costs & Cost Principles

- Costs comply with 2 CFR 200 Subpart E
- Costs are necessary, reasonable, and allocable
- No unallowable or duplicative expenses

C. Cost Allocation

- Allocation methodology is documented and applied consistently
- Indirect cost rate correctly applied when applicable

D. Cash Management

- Drawdowns based on actual need
- Expenditures support drawdown requests
- No excess cash on hand

E. Payroll & Time and Effort

- Timesheets meet federal standards
- Staff charged to grant align with budget
- Personnel activity reports are accurate and complete



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F. Procurement

- Compliance with 2 CFR 200.317–326
- Competitive bidding for purchases over thresholds
- Conflict of interest disclosures maintained

G. Participant Costs

- ITAs supported by invoices and eligibility records
- Supportive services tied to IEP/ISS
- Youth incentives follow local policy
- Work experience payroll properly documented

H. Financial Reporting

- Reports submitted timely
- Reports reconcile to internal financial records
- Obligations and accruals documented

8. Transaction Testing Procedures

The WDB reviews a sample of financial transactions to verify compliance.

Sampling

- Minimum 10% of total transactions or 10 files, whichever is greater.

Categories Reviewed

- Vendor payments
- Payroll transactions
- Supportive services
- ITAs and tuition payments
- Youth incentives
- Work experience payroll
- Major equipment purchases

Verification Checklist

Each sampled transaction must be reviewed for:

Allowability - Approval signatures - Supporting documentation - Compliance with procurement requirements - Proper GL coding - Completion of services prior to payment - Accuracy and completeness

9. Monitoring Report

Monitoring reports communicates findings and recommendations.

Report Components

- Executive summary
 - Scope and methodology
 - Areas reviewed
 - Findings
 - Recommendations
 - Required corrective actions
 - Questioned costs (if applicable)
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10. Corrective Action Process

1. *Issuance of Findings*

The WDB issues a draft report within 30 days of monitoring.

2. *Subrecipient Response*

Subrecipient must submit a Corrective Action Plan (CAP) within 30 days.

3. *Review and Approval*

The WDB reviews the CAP within 10 business days.

4. *Follow-Up Monitoring*

Follow-up occurs within 60–90 days.

5. *Close-Out Letter*

Once corrective actions are completed and verified, a formal close-out letter is issued.

11. Records Retention

All monitoring records must be retained for **three (3) years** from the date of final expenditure report unless otherwise required by regulation.

12. Annual Review and Updates

This manual shall be reviewed and updated every two years or sooner if: - Federal or state guidance changes, - Internal policies are updated, - Corrective actions reveal the need for procedural improvements.

Appendices

Appendix A – Risk Assessment Form

Appendix B – Monitoring Tools & Checklists

Appendix C – Transaction Testing Log

Appendix D – Corrective Action Plan Template

Appendix E – Monitoring Report Template

Appendix A – Risk Assessment Tool

Risk Assessment Scoring

Risk Indicator	Criteria	Points
Prior Findings	Significant findings in last 2 years	3
Staff Turnover	Fiscal or leadership turnover >30%	2
Reporting Timeliness	Late reports more than twice	1
Internal Controls	Weak or undocumented controls	3
Funding Level	High dollar subaward	2

Risk Levels: - Low: 0–3 - Medium: 4–7 - High: 8–12

Appendix B – Fiscal Monitoring Checklists

Internal Controls Checklist

- Written policies and procedures
- Segregation of duties
- Secure financial systems
- Proper record retention



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Allowable Cost Checklist

- Costs necessary and reasonable
• Allocation consistent with policy
• Indirect cost rate applied properly

Payroll & Time and Effort Checklist

- Timesheets signed and approved
• PARs align with budget
• Reconciliation to GL

Procurement Checklist

- Competitive procurement for purchases
• Documentation of bids/quotes
• Conflict of interest forms on file

Participant Cost Checklist

- Eligibility verified
• ITA invoices documented
• Supportive services tied to IEP/ISS
• Youth incentive logs maintained

Appendix C – Transaction Testing Log

Table with 7 columns: Transaction ID, Type, Amount, Vendor/Participant, Documentation Present, Allowable (Y/N), Notes

Appendix D – Corrective Action Plan (CAP) Template

- Finding:
Regulatory Requirement:
Corrective Action Required:
Subrecipient CAP Response:
1. Corrective action steps:
2. Staff responsible:
3. Due date:

WDB Review Notes: Approved: Yes / No



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Appendix E – Monitoring Report Template

1. Executive Summary

Provide a brief summary of monitoring activities.

2. Scope of Review

Describe time period, documents reviewed, and staff interviewed.

3. Findings

- Finding:
- Evidence:
- Regulatory reference:
- Required Corrective Action:

4. Recommendations (Non-Required)

5. Questioned Costs

Amount: \$ _____ Reason:

6. Conclusion and Next Steps

- CAP due date
- Follow-up monitoring schedule