
Subrecipient Management and Oversight Policy

Effective Date: January 1, 2018

As a result of statewide LWDA realignment, Local Workforce Development Areas 08 and 09 merged to form Northern Middle Tennessee Local Workforce Development Area. On June 28, 2018, the LWDA CLEO designated North Tennessee Workforce Board, Inc. as fiscal agent to act as sub recipient for the newly formed area.

During the course of FY 18-19, the entity of North Tennessee Workforce Board, Inc. (NTWB) changed its name to Northern Middle Tennessee Local Workforce Development Board, Inc. (NMTLWDB) to better align with the new LWDA name. Names and acronyms of the entity and new LWDA may be substituted and/or used interchangeably for purposes of this policy which remains in effect. Effective FY 19-20, Workforce Essentials, Inc. was designated fiscal agent by the CLEO and Marla Rye became Executive Director of the Northern Middle TN LWDB.

Purpose:

The Northern Middle TN Workforce Board (NMTWB) establishes the following policies for management and oversight of subgrantees/contractors.

Background:

Local grant recipients and contractors must include provisions in the contract to ensure that acceptable standards for accountability are observed. Subgrantees/contractors must be monitored per requirements to ensure

1. compliance with applicable laws, regulations and contract provisions
2. attainment of performance and financial goals
3. identification of technical assistance and training needs
4. timely and adequate corrective actions
5. improvement of program performance, efficiency, and outcomes

Resources:

2 CFR 200.331; 200.301; 200.328

2 CFR 2900.2

20 CFR 683.400

TDLWD Supplementary Financial Guide and Monitoring Guide

Policy:

A. Contract Provisions

To the extent possible, contract templates should be developed for use with subgrantees that incorporate terms and conditions required by Uniform Guidance to include the OMB approved exception at 2900.2 that expands the definition of non-federal entities to include for-profit and commercial entities. Contractual provisions are included at Appendix II of Uniform Guidance. The Simplified Acquisition threshold determines which contractual provisions are applicable.

B. Contract Modifications

Contract modifications or budget changes should be reviewed, approved, and communicated to subgrantees on a timely basis.

C. Communication of Federal Award Requirements

Communication of federal award requirements will be conducted in accordance with requirements stated in 2 CFR 200.331.

D. Program Income

Subgrantees should be informed of reporting and disbursement requirements related to program income, and compliance should be monitored.

E. Prior Approval

The NMTWB and subgrantees should comply with provisions for items of cost requiring prior approval.

F. Performance Tracking

Subgrantee agreements should incorporate Uniform Guidance requirements to link performance metrics with effective fiscal accountability. Track and monitor performance metrics/goals and budget comparisons of subawards to improve program outcomes and cost effective practices. Monitor and report on Program Performance in accordance with 2 CFR 200.328.

G. Risk Assessment and Monitoring

Incorporate risk assessment procedures to:

1. Establish pre-award subgrantee capacity to fulfill terms of the awards and to address any special conditions per 2 CFR 200.207
2. Establish the post-award monitoring plan of subgrantees
3. Establish needed closeout oversight procedures.

Conduct monitoring of subgrantees utilizing a combination of monitoring methods such as desk reviews, report reviews and analysis, on-site inquiries, observations. Methods, processes and procedures for monitoring will vary in extent, scope and timing based on risk assessments.

H. Cash Management of Subgrantees

Monitor cash requests and expenses reported by subgrantees to ensure cash on hand is minimal.

I. Salary/Bonus Limitations

Incorporate terms and conditions in subaward agreements to ensure that subgrantees adhere to salary and bonus limitations. (UG and additional in TEGL 05-06)



J. Financial Reporting and Documentation

Communicate to subgrantees that their accountings systems must provide periodic data on accruals, obligations, expenditures, status of cash advances, and total disbursements. Source documentation must support records.

K. Closeout Requirements

Communicate necessary required information to subgrantees to be submitted so that timely closeouts can be performed. Include reconciliation of property, cash expenditures, disbursements, receipts, with approved budgets.

L. Audit/Monitoring of Subgrantees

Share results of monitoring with subgrantees and outline procedures for timely corrective action of any monitoring or audit findings. Review audit reports of subgrantees. Take timely action to resolve any findings or questioned costs related to subawards. (Refer also to Financial Reporting, Accounting, Audit Reports and Resolutions Policy) Ensure subgrantees that meet specified thresholds for Single Audit have had required audits performed, completed and submitted on a timely basis to the Federal Audit Clearinghouse and state comptroller's office as applicable.

M. Technical Assistance and Training

Identify and facilitate technical assistance and training on an ongoing basis.

Contact:

For any questions related to this policy contact Ginger Fussell, Fiscal Director at gfussell@workforceessentials.com.

Effective Date: January 1, 2018

Updated: July 1, 2019

Duration: Indefinite

A handwritten signature in blue ink that reads "Marla W Rye".

Marla Rye, Executive Director
Northern Middle TN LWDB