



Technical Assistance Guide (TAG)

Workforce Innovation and Opportunity Act (WIOA)

Number: 25-02

Date: February 4, 2025

Subject: Governor’s Reserve Funding, Subrecipients and Monitoring

Purpose: To provide a more in-depth understanding of the principles outlined in State Compliance Policies 5.7 and 5.8. This guide aids understanding the process for selection of subrecipients of Governor’s Reserve funds, with procedures to assess the risks of potential subrecipients/awardees.

Scope:

The requirements in this TAG apply to Local Workforce Development Boards (LWDBs).

Effective Date:

This directive is effective upon its issuance.

REFERENCES:

WIOA (Public Law 113-128) Sections 128(a), 129(b)(1)(A), 134(a)(2)(B)(vi), 136, 169, and 442 | 20 Code of Federal Regulations (CFR) §§ 682.110-220 and 683.120 | 2 CFR, Part 200: §§ 200.201-Use of grants, cooperative agreements, fixed amount awards, and contracts, 200.306-Cost sharing and 200.331-Subrecipient and contractor determinations | Training and Employment Guidance Letter (TEGL) 14-18 and TEGL 10-16, Change 2 | State Compliance Policies (SCPs) 5.7 and 5.8

POLICY AND PROCEDURES:

Process for Selection

Funds reserved by the Governor for statewide workforce investment activities may be combined and used for any of the activities authorized in WIOA sec. 129(b), 134(a)(2)(B), or 134(a)(3)(A) (which are described in §§ 682.200 and 682.210), regardless of whether the funds were allotted through the youth, adult, or dislocated worker funding streams. Reference 20 CFR §682.110(b)

The process for selecting a subrecipient under the CFR involves evaluating the subrecipient's/vendor's capacity and the quality of their proposal (pre-award assessment). The State makes a case-by-case decision for each agreement. The State must use judgment in classifying each agreement as a subaward or a procurement contract. In making this determination, the substance of the relationship is more important than the form of the agreement. Reference 2 CFR § 200.331

All WIOA Title I State set-aside (aka, Governor’s Reserve) subrecipients/vendors are selected through consultation with the Nevada Governor’s office and awarded by DETR. DETR utilizes a checklist for

determining the subrecipient or vendor/contractor classification, which is kept in each subrecipient program file within the Workforce Innovation Support Services (WISS).

A SAM- System for Award Management (SAM.gov) registration is required for any entity to bid on and get paid for federal contracts or to receive federal funds. These include for profit businesses, nonprofits, government contractors, government subcontractors, state governments, and local municipalities. Once approved registration will be valid for one year and must be renewed each year to remain active and compliant.

Factors considered:

- **Capacity**-The subrecipient's ability to carry out the work in a timely manner, and their ability to adhere to federal program requirements
- **Quality**-The quality of the subrecipient's proposal, and the nature of the activity they are proposing to carry out
- **Risk**-The subrecipient's history of performance, the results of previous audits, and any potential conflicts of interest
- **Eligibility**-Whether the subrecipient meets the definition of a subrecipient, and whether the proposed activities are eligible for funding

Steps in the Process:

1. Verify that the applicant meets the definition of a subrecipient/vendor.
2. Verify that the proposed activities are eligible for funding.
3. Assess the applicant's ability to carry out the activities.
4. Assess the quality of the applicant's proposal.
5. Perform a risk assessment of the applicant (utilizing valid SAM registration review).
6. Make a case-by-case determination for the agreement.

The State may also impose additional terms and conditions on the award based on the results of the risk assessment.

Terms and Conditions of Awards

As a recipient of an award, the recipient must comply with the Uniform Guidance requirements that mandate the State to evaluate and minimize risk with respect to subrecipient selection and to manage and monitor each subaward to reasonably ensure that costs are allowable, awards are used for authorized purposes, and performance goals are achieved. Subawards must also be administered in compliance with applicable laws, regulations, and the provisions of the grant or contract agreement. In issuing a subaward, the WISS office assumes responsibility for the oversight of the recipient's programmatic and financial activities throughout the life of the subaward, including but not limited to the determination of subrecipient status versus contractor status, assessment of the subrecipient's capacity to perform award responsibilities, and the subrecipient's compliance with award terms.

Monitoring Procedures

The State is responsible for oversight of the operations of the WIOA activities and must monitor the programmatic and financial activities under the Federal awards to ensure compliance with the applicable WIOA requirements. There are a variety of methods the State can use to oversee their subrecipients' or vendors' compliance and performance. Many of these tools are already part of the grant award and management process, while others are common (but not so obvious) actions that can be taken to effectively monitor subawards. As a pass-through entity, the State determines which ones will work best for their subrecipients.

A summary of methods that may be used for monitoring subrecipient activities are as follows:

- ✓ Review single audits
- ✓ Arrange for limited-scope audits
- ✓ Schedule site visits
- ✓ Review quarterly progress reports
- ✓ Require prior approval for certain activities
- ✓ Require third-party evaluations
- ✓ Provide technical assistance and training
- ✓ Follow subrecipient coverage in the news
- ✓ Interview or survey staff, board members, end-users, and other stakeholders

The monitoring memorandum/report will:

- ✓ Identify subrecipient information and the program being monitored.
- ✓ Identify dates of the monitoring review.
- ✓ Identify who conducted the monitoring review.
- ✓ Describe the monitoring activities and procedures used to collect information.
- ✓ Identify findings and references to applicable State and/or Federal requirements.
- ✓ Identify corrective action recommendations, when the corrective action plan is due, and where to send the corrective action plan.
- ✓ Describe program activities and eligible client population.
- ✓ Note monitoring staff observations in areas, such as, program strengths, weaknesses, and concerns, etc.

Monitoring Corrective Action Plan and Follow-up

The subrecipient is responsible for submitting a corrective action plan, as required, that addresses each monitoring finding and for submitting supporting documentation. The subrecipient's plan should be submitted within the timeframe identified in the monitoring report. If the subrecipient does not agree with any of the monitoring findings or does not believe that corrective action is required, an explanation should be included.

A follow-up to the monitoring review may vary depending on the extent and severity of the findings, and how the corrective action process is managed. A follow-up may include communication with the subrecipient after the review of the corrective action, additional monitoring visits, and/or an unannounced visit.