JTED GRANT MONITORING

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Why is monitoring important?

- Early intervention before it is too late
- Preventative and proactive
- Coaching and training opportunity
- Stronger/better working relationships and partnerships
- Grantees don’t know what they don’t know – they may not think they have a problem
- Data alone can’t tell the whole story – observations, conversation and analysis are needed
- Opportunity to provide resources
- Drives continuous improvement

JTED Monitoring

- Each grantee will go through a least one monitoring event during the grant award period.
- The team is comprised of a programmatic monitor and fiscal monitor.
- The purpose of monitoring is to review compliance of the grant program as stated in the notice of award, federal regulations, the Uniform Guidance, state rules, and DCEO/local grantee policies.
- Provides reasonable assurance that grantees have systems in place to administer programs and manage the grant funds according to applicable rules.

Grant Monitors

- The Programmatic Monitor provides program management and oversight to their assigned grantees. They serve as the primary point of contact between DCEO and grantees for all activities associated with program monitoring and technical assistance.
- Fiscal Monitor organizes, oversees, and functions as a technical expert for routine fiscal monitoring conducted by monitoring team members. Routine monitoring includes compliance with fiscal requirements in areas such as: internal controls, costs allowability, payroll, reporting requirements, bank reconciliations, salary limitation, GAAP. If your program has subrecipients then the monitoring of them.

Monitoring Process

- Communication from Lead Monitor
- Announcement Letter
- Entrance Conference
- Conduct Monitoring Review
- Soft Exit
- Exit Conference
- Results Letter
- Response from Grantee
- Final response from DCEO

FISCAL vs. PROGRAM MONITORING

Internal Controls

- The Grant Accountability and Transparency Act (GATA), 30 ILCS 708/1 et seq., is landmark legislation that will increase accountability and transparency in the use of grant funds while reducing the administrative burden on both State agencies and grantees through adoption of the federal grant guidance and regulations codified at 2 CFR Part 200 (Uniform Requirements).

- 2 CFR 200.303(a) - Establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control-Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Financial Management 2 CFR 200.302(b)

The recipient's and subrecipient's financial management system must provide for the following (see §§ 200.334, 200.335, 200.336, and 200.337):

(1) Identification of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number, year the Federal award was issued, and name of the Federal agency or pass-through entity.

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements in §§ 200.328 and 200.329. When a Federal agency or pass-through entity requires reporting on an accrual basis from a recipient or subrecipient that maintains its records other than on an accrual basis, the recipient or subrecipient must not be required to establish an accrual accounting system. This recipient or subrecipient may develop accrual data for its reports based on an analysis of the documentation on hand.

(3) Maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest. All records must be supported by source documentation.

(4) Effective control over and accountability for all funds, property, and assets. The recipient or subrecipient must safeguard all assets and ensure they are used solely for authorized purposes. See § 200.303.

(5) Comparison of expenditures with budget amounts for each Federal award.

(6) Written procedures to implement the requirements of § 200.305.

(7) Written procedures for determining the allowability of costs in accordance with subpart E and the terms and conditions of the Federal award.

Disbursements Compliance Overview

Documentation & Controls

- Prior approval evidence for all expenditures (goods, services, travel).
- Comprehensive documentation maintained (PO, receipts, purpose).
- Supporting documents canceled to prevent reuse/subsequent misuse.
- Procedures strictly enforced to eliminate duplicate payments.
- Copies of front/back of cancelled checks or equivalent provided.

Accounting & Compliance

- Disbursements classified properly in the chart of accounts.
- Expenditures accurately and properly allocated.
- Financial reporting executed on a timely basis.
- Costs are allowable under appropriate regulations & cost principles.
- Adherence to cost principles outlined in the Uniform Guidance.

Travel & Special Services

- Per diem payments align with written travel policy.
- Mileage payments strictly match written travel policy.
- Travel vouchers submitted post-travel for actual expenses.
- Travel advances fully reconciled to actual total costs.
- Supportive services charged in conformance with policy.

Cost Allocation Compliance

1. Written Plan

A written cost allocation plan must be maintained in strict accordance with Uniform Guidance requirements.

2. Consistent Execution

The cost allocation plan is consistently followed, with all costs reported timely on an accrual basis.

3. Approved Recovery

Indirect costs are recovered via a de minimis rate or an indirect cost rate approved by a federal cognizant agency or the State's indirect cost rate vendor. Recovery must align with the Section 41.1 grant agreement election.

4. Accurate Calculation

The total dollar amount of the indirect cost recovery is mathematically and procedurally calculated correctly.

Payroll

1. Personnel Files
The employee's personnel file contains a completed and signed W-4 form.

2. Total Activity
Activity sheets must account for the total activity of each individual employee.

3. Time Studies
If used as a basis for payroll allocation, time studies must be current and complete.

4. Tax Timeliness
Payroll taxes are paid in a timely manner to avoid late payment fines or penalties.

5. Bonus Policies
The grantee's official policy and procedures manual explicitly allows for bonuses or incentive payments.

6. Wage Verification
Actual gross salary or wage payments align exactly with authorized rates on file.

7. Payroll Support
All payroll charges are supported by approved Personnel Activity Reports or Time & Attendance records.

8. Required Approvals
The signature or approval of both the employee and supervisor are required on all timesheets.

9. Cost Allocation
Payroll expenses are charged to categories in accordance with activity reports or cost allocation plans.

10. Participant Documentation
Sufficient documentation (forms, timesheets) supports work experience wage payments to participants.

11. Minimum Wage Laws
Rates paid to participants for work experience are no less than federal and state minimum wage requirements.

Fringe Benefits & Reserve Funds Compliance

Reserve Fund Maintenance

- **Maintains reserve fund:** Earmarked for accrued leave, unemployment, workers' comp, retirement, or severance.
- **Accrued leave rule:** Applies only when unused compensated absences are accrued and charged in the earned period (excludes leave claimed as normal salary/wage costs).

Cost Allocation & Compliance

- **Uniform Guidance alignment:** Charges reflect actual costs incurred or reasonable liability estimates.
- **Quarterly reconciliation:** Fund is reconciled and funded every quarter.
- **Funding status:** Reserve fund is fully funded.

Fund Activity & Loans

- **No unauthorized loans:** No improper loans or advances made from the fund.
- **Proper accounting:** Any recorded loans use correct accounting procedures.
- **Proper authorization:** Loans follow the grantee’s normal cash disbursement rules.

Audit Resolution

01. Financial Statements

The grantee received an unmodified opinion on the most recent year-end financial statements.

02. Single Audit Findings

The single audit was free of findings.

03. Resolution Status

All single audit findings have been resolved.

04. Fiscal Monitoring

The prior year's fiscal monitoring findings have been resolved in accordance with the prior year's corrective actions.

Resources

- ECRF

https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1

- WIOA ePolicy

- WIOA Policy (illinoisworknet.com)

- JTED Training Materials & Videos

Workforce and Education Partners (illinoisworknet.com)

- Signed Grant Agreement and Approved Uniform Budget

Fiscal Monitoring Questions

DOCUMENTATION CHECKLIST

Participant Application

- Signed and Dated

Documents used to determine eligibility

Needs Assessment

Participant Career Plan

- Case Management System
- Signed and Dated

DOCUMENTATION CHECKLIST
(CONTINUED)

Enrolled Training Services
- Dates are Important

Credentials Earned
- Copies of Each Credential

Barrier Reduction Policy
- Submit Copy of Policy

Documentation of Receipt
- Participants sign for BRF funds, Support Services

COMMON FINDINGS FOR NONFORMULA GRANTS

- Written Internal Controls/Procedures
- Missing Source Documentation
- Barrier Reduction/Support Service Documentation
- Case Notes and Follow Up Case Notes
- Service Strategy/Employment Plans
  - Incomplete/Missing
  - Missing Signatures
  - Not Updated

COMMON FINDINGS FOR NONFORMULA GRANTS

- Case Management
  - Service Entry
  - Service Closure
- Missing Signatures
  - Application
  - Income Affidavits
  - Support Service/BRF Receipts
  - Career Plans
- Disclaimers Intellectual Property/Funding Source

Programmatic Monitoring Questions