

Post Office Box 5719
Florence, South Carolina 29502
Tel. 843-669-3138
Fax. 843-679-3743



PEE DEE LWIA INSTRUCTION NUMBER:

17-005

TO: **Pee Dee Local Workforce Development Area
Applicants/Contractors**

SUBJECT: **Pre-Award Survey**

EFFECTIVE DATE: **September 1, 2017**

ISSUANCE DATE: **August 28, 2017**

Purpose: The purpose of this instruction is to transmit the Pee Dee Local Workforce Development Area's policy for activities to be conducted prior to the official execution of Workforce Innovations and Opportunity Act (WIOA) or other grant agreements administered by Pee Dee Regional Council of Governments on behalf of the Pee Dee Workforce Development Board.

Background: Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR 200) sets forth standard for obtaining consistency and uniformity among Federal agencies in the administration of grants to agreements with these organizations. The Pee Dee Local Workforce Development Area has developed procedures to ensure that these administrative requirements are met and to obtain reasonable assurance that each potential contractor possesses the administrative and fiscal capability to safeguard federal funds. These procedures fall into two main categories:

1. Obtaining and reviewing the contractor's completed pre-award survey
2. Obtaining and reviewing the contractor's required documentation

Discrepancies and/or inadequacies revealed by the review are addressed prior to grant finalization.

Policy:

1. A pre-award survey will be obtained from each new contractor prior to execution of its initial grant agreement with the Pee Dee Regional Council of Governments (COG)/Local Workforce Development Area (LWDA). For purposes of this instruction, a new contractor is an organization which has never entered into a grant (or other contractual agreement) with the Pee Dee Regional COG/LWDA or is not a contractor at the time a new agreement is being sought. It does not apply to an existing contractor unless significant changes have occurred to the information as previously submitted. However, the Pee Dee LWDA reserves the right to request the completion of a pre-award survey at any time prior to entering into additional agreements with a provider if it determines that doing so is in the best interest of the WIOA, or other programs it administers. The Pee Dee LWDA's pre-award survey is included as Attachment A.
2. Upon initial award, and annually thereafter, each Pee Dee LWDA contractor will be required to submit required/compliance documentation as outlined in Attachment B. The LWDA reserves the right to include a request for this documentation from all entities responding to requests for proposals to provide services funded by WIOA, or other workforce development programs administered by Pee Dee Regional COG.

The Pee Dee Local Area's policies outlined in this instruction will apply to all of its contractors, whether commercial, governmental, public, private, for-profit, or non-profit.

Action: To ensure proper implementation of this directive, please distribute this instruction to all employees and officers responsible for its implementation.

Inquiries: Questions pertaining to this instruction should be directed to Maple Warney at (843) 669-3138.

Joette R. Dukes
Workforce Development Director

PEE DEE LOCAL WORKFORCE INVESTMENT AREA
PRE-AWARD SURVEY

Applicant/Contractor: _____

1. ***Identification of Applicant/Contractor:***

a. Address: _____

b. Telephone Number: _____

c. Principal Officials of Proposer:

<u>Name</u>	<u>Title</u>
_____	_____
_____	_____
_____	_____
_____	_____

2. ***Describe the filing system for the following records:***

a. ***Staff employment applications:***

Location: _____
Filing sequence: _____

b. ***Staff payroll registers:***

Location: _____
Filing sequence: _____

c. ***Staff cumulative earnings records:***

Location: _____
Filing sequence: _____

d. ***Staff 941's:***

Location: _____
Filing sequence: _____

e. ***Staff time and attendance reports:***

Location: _____
Filing sequence: _____

f. ***Cancelled payroll checks:***

Location: _____
Filing sequence: _____

g. ***Cancelled checks other than payroll:***

Location: _____

Filing sequence: _____

h. ***Non-payroll check registers:***

Location: _____

Filing sequence: _____

i. ***Bank reconciliation:***

Location: _____

Filing sequence: _____

j. ***Blank checks:***

Location: _____

Filing sequence: _____

k. ***Voided checks:***

Location: _____

Filing sequence: _____

l. ***Vouchers and invoices supporting payments:***

Location: _____

Filing sequence: _____

m. ***Proposer's accounting records:***

Location: _____

Filing sequence: _____

n. ***Workpapers supporting financial reports:***

Location: _____

Filing sequence: _____

r. ***Grant Documents - to include Grants and modifications, financial reports, correspondence:***

Location: _____

Filing sequence: _____

INTERNAL CONTROL

Yes No

- 1. Are funds advanced to the proposer deposited in a bank with FDIC coverage? (2CFR 200.3) ___/___

- 2. Are bonds paid from WIOA funds limited to employees who handle WIOA funds? (2CFR 200.304) ___/___

- 3. Are WIOA employees bonded to the extent the proposer's non-WIOA staff are bonded? (2CFR 200-304) ___/___

- 4. Does contractor/applicant have written accounting procedures that adequately cover their operations? ___/___

- 5. Accounting for and use of checks:
 - a. Are all checks pre-numbered? ___/___

 - b. Are voided checks treated in a manner which prevents reuse?
 - (1) Are they filed in numerical sequence with paid checks? ___/___

 - c. Are checks periodically voided if outstanding for long periods? ___/___

 - d. Are blank checks adequately safeguarded to prevent unauthorized access? ___/___

 - e. Are undelivered checks adequately:
 - (1) Safeguarded from unauthorized use? ___/___

 - (2) Accounted for? ___/___

 - f. Is more than one signature required on checks? ___/___

 - g. Are check signature requirements for WIOA funds as restrictive as other programs operated by the contractor/applicant? ___/___

 - h. Are controls over mechanical check signers adequate? ___/___

- i. Is a check protector in use? ___/___
 - j. Is drawing of checks payable to cash prohibited? ___/___
 - k. Must documentation accompany checks for signature? ___/___
 - (1) Is such documentation stamped or perforated so as to prevent duplicate payment? ___/___
 - l. Is signing of checks in advance prohibited? ___/___
 - m. Is the check-signing authority restricted to executives who do not have access to accounting records? ___/___
6. Are monthly cash reconciliations made to bank and/or depository (State or City Treasurer, etc.)? ___/___
7. Are payrolls based on time and attendance reports or their equivalent? (2CFR 200.431) ___/___
- a. Are time and attendance reports certified by:
 - (1) Employee? ___/___
 - (2) Supervisor? ___/___
 - b. Are leave slips signed by staff? ___/___
 - c. Are all employees and staff paid only by check direct deposit? ___/___
 - d. Is the preparation of the payroll entirely separate from and independent of the delivery of paychecks? ___/___
 - e. Is the distribution of paychecks made by independent persons not involved in time-keeping or bank reconciliation work? ___/___
 - f. Are payroll clerical operations independently proofed and verified before the payroll is

distributed?

___/___

- g. Are additions to and separations from the payroll and changes in rates made effective through formal authorization by an appropriate executive?

___/___

- 8. Are formal purchase orders required for all purchases?

___/___

- 9. Do the procedures for verifying invoices require a signature on every voucher to show that the following steps have been taken:

- a. Comparison of quantities billed on the invoice with quantities on the purchase order?

___/___

- b. Comparison of the invoice and purchase order for:

- (1) Prices?
- (2) Discounts?
- (3) Credit period?
- (4) Terms of shipment?

___/___

___/___

___/___

___/___

- c. Proof of the clerical accuracy of extensions, footings, and deduction of discounts of the invoice?

___/___

- 10. Are trial balances of the books of account made?

___/___

- 11. Are loans to and from other programs controlled through General Ledger and Subsidiary Ledger receivable and payable accounts?

___/___

- 12. Is the separation of duties shown below adequate to provide internal controls necessary safeguarding Federal funds?

___/___

- 13. List persons performing the following functions:

<u>FUNCTION</u>	<u>Employees</u>	
	<u>Name</u>	<u>Title</u>
a. Sign checks	_____	_____
b. Records disbursements in books of account	_____	_____
c. Prepares personnel actions	_____	_____
d. Approves personnel actions	_____	_____
e. Prepares initial payroll authorization for:		
(1) Staff	_____	_____
(2) Participants	_____	_____
f. Reviews time and attendance reports in payroll section.	_____	_____
g. Posts leave earned and taken to cumulative leave records.	_____	_____
h. Prepare list of persons performing additional functions as necessary.	_____	_____

14. Does contractor have on hand copies of: **Yes / No**
1. 2CFR 200 _____ / _____
2. Regulations, manuals and instructions covering program being reviewed? _____ / _____

Principles for determining allowable costs of programs administered under federal grants are determined by 2CFR 200.420-475 and the grant agreement.

2CFR 200 establishes three major categories of costs: Allowable Costs, Costs Allowable with the Approval of the Grantor, and Unallowable Costs.

ALLOWABLE DIRECT COSTS

For most grant programs, the grantor agency establishes certain categories for accumulating direct program costs, and describes the costs that should be accumulated in each of these categories. Allowable direct costs are those that can be identified specifically with a particular cost category and that meets the federal criteria for allowability. These costs may be charged directly to the program.

- | | Yes / No |
|--|-----------------|
| 1. Has the grantor agency provided cost categories for accumulating expenditures incurred in administering the grant? | ___/___ |
| 2. Does the contractor have a formal system of cost accounting/control for direct costs? | ___/___ |
| 3. Are costs accumulated consistently throughout the program? | ___/___ |
| 4. Does the contractor's system provide for: | |
| a. Prompt identification of unallowable costs? | ___/___ |
| b. An early warning to management of possible cost overruns? | ___/___ |
| c. Identification of capital requirements? | ___/___ |
| 5. Has the contractor sought agency approval of those costs which upon such approval may become allowable by 2CFR 200.420-475? | ___/___ |

INDIRECT COSTS

Indirect costs are those costs incurred for a common or joint purpose benefiting more than one cost category and that are not readily assignable to a specific cost category.

Indirect costs can be allocated to grant programs using any of the following methods:

- a. Actual costs
- b. Predetermined fixed rate
- c. Negotiated lump sum

The contractor's proposed allocation method and related costs are summarized in an indirect cost proposal, which is reviewed and approved by a designated (cognizant) federal agency.

- | | Yes / No |
|---|-----------------|
| 1. Has the contractor established guidelines for allocability indirect costs to grant programs? | ___/___ |
| 2. Are the contractor's guidelines in compliance with | |

federal and grantor's rules and regulations?

___/___

3. Has the contractor's indirect cost proposal been approved by a federal agency?

___/___

4. Does the indirect cost proposal include the contractor's indirect costs, as well as the allocable costs of State or local government departments supplying services to the grant program?

___/___

LIST ACTIVE FEDERAL GRANTS, INCLUDING:

- Funding agency
- Grant Number(s)
- Grant period(s)
- Grant amount(s)

REQUIRED DOCUMENTATION

Contractor Name: _____

<u>Item</u>	<u>Attached</u>	<u>Reason Not Included</u>
1) Federal I.D. Number (W-9 Form Enclosed)	_____	_____
2) List of Current Board of Directors	_____	_____
3) Current Fiscal Statement and Copy of Last Audit	_____	_____
4) Copy of Indirect Cost Plan and Approval (if applicable)	_____	_____
5) Grievance Procedures	_____	_____
6) Staff, Personnel, and Travel Policies	_____	_____
7) Charter and By-Laws of Organization	_____	_____
8) Evidence of Signatory Authority (Form Enclosed)	_____	_____
9) Banking Arrangements (Include Bank's Name and Address)	_____	_____
10) Cost Allocation Plan (if applicable)	_____	_____
11) Certification regarding Lobbying (Form Enclosed)	_____	_____
12) Fidelity Bonding (Include the Policy and the Renewal Invoice with Current Dates)	_____	_____
13) Debarment and Suspension Certification (Form Enclosed)	_____	_____
14) Organization's Mission and Vision Statements	_____	_____
15) Current Organizational Chart	_____	_____

If there is an item not included with your submission, please state the reason for not doing so in the space provided above.