



# Montana Department of LABOR & INDUSTRY

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2 Division: Workforce Services Division  
3 Category: WIOA  
4 Effective Date: 10/1/2018  
5 Last Revised: January 1, 2020  
6 Policy No.: 16-18

## 7 Service Provider Reporting & Audit Requirements Policy

8 **Scope:** This policy applies to all service providers operating Workforce Innovation and Opportunity Act (WIOA)  
9 programs and those specified below. This policy is effective January 1, 2020.

### 10 Policy:

- 11 • Service providers must submit quarterly program and financial reports for Adult, Youth, Dislocated  
12 Worker, State Displaced Homemaker, Rapid Response, and National Dislocated Worker grants.
- 13 • All quarterly program and financial reports are due by 5:00 p.m. on the 25<sup>th</sup> calendar day of the first  
14 month after the quarter end date. Quarter end dates are March 31, June 30, September 30, and  
15 December 31.
- 16 • Service providers are responsible for annual independent audits per Uniform Guidance.

### 17 Program Quarterly Status Report:

- 18 • The program and financial reports track progress toward goals listed on the Provider Agreement's Scope  
19 of Services. The report should address successes, difficulties, and technical assistance needs. During  
20 the grant year, managers for Adult, Youth, Dislocated Worker, State Displaced Homemaker, Rapid  
21 Response, National Dislocated Worker, and Fiscal programs will review the reports and offer technical  
22 assistance to and training for providers individually, regionally, and/or statewide.
- 23 • Service providers must submit the program appropriate quarterly status report found on the WIOA  
24 Forms web page.

### 25 Financial Reporting:

- 26 • U.S. Department of Labor (USDOL) Employment & Training Administration (ETA) financial report, ETA-  
27 9130 form will be used and may be modified to encompass all reporting requirements depending upon  
28 the federal grant being submitted. Various examples of the ETA-9130 are located on WIOA Forms web  
29 page. Recipients of grants are required to report expenditures separately for each source of funds.  
30 Expenditures must be reported cumulatively from the inception of each grant. All grant recipients must  
31 establish a reporting system that allows them to incorporate costs at all levels of the system in the  
32 Financial Reports (FRs) submitted to the Division Management Services Bureau (DMS).

### 33 Late Reporting:

- 34 • Service providers shall receive one written warning notice from DMS concerning late reporting. At DMS's  
35 discretion, each subsequent late report will result in withholding of one percent of the service provider's  
36 administrative total accrued expenditures to date. If the service provider does not receive administrative

37 funding, one percent of total accrued expenditures to date will be withheld. Consistent late reporting  
38 may result in the termination of the grant.

#### 39 Expenditure Limitations:

- 40 • When expenditure limits are set on administrative or other cost categories, those limits will apply to  
41 actual expenditures and cannot be exceeded without prior written approval from DMS.

#### 42 Grant Agreement Closeout:

- 43 • Each service provider is responsible for developing and maintaining a system to comply with the  
44 closeout requirements specified at 2 CFR Part 200.343 and 2 CFR Part 2900.15 to ensure that DMS  
45 closes out grants in a timely manner with ETA.
- 46 • Closeout reports are due to DMS by 5:00 p.m. on the 60<sup>th</sup> calendar day following the end of the grant. If  
47 the due date falls on a weekend, the reports are due the following Monday.

#### 48 Closeout Process:

- 49 • The service provider must close and settle its contracts and reconcile all financial activity prior to  
50 closing the grant with DMS.
- 51 • All refunds due to the awarding agency must be made before the closeout or submitted with the  
52 closeout documents.
- 53 • Pending claims or late arriving invoices must be estimated and identified in the closeout reports. Once  
54 the items are received and reconciled, they should be sent to DMS. If a refund is due to the awarding  
55 agency, it must be included with the reconciliation.
- 56 • Any refunds, rebates, or credits received after the closeout must be sent to DMS. If stand-in costs were  
57 reported, they may be offset by such refunds, rebates, or credits. However, the stand-in costs must be  
58 reported prior to the receipt of the refund.
- 59 • Based on audit findings, DMS reserves the right to adjust grants after the closeout reports are  
60 submitted.

#### 61 Closeout Package:

- 62 • The closeout package consists of the following forms:
  - 63 ○ Service Providers Submittal of Closeout Documents - including a cover sheet that lists all the  
64 documents contained in the closeout package.
  - 65 ○ Financial Report - various examples are located on Forms web page.
  - 66 ○ If necessary, a copy of the approved indirect cost rate - if charged to the grant, a copy of the  
67 provisional or final rate may need to be included. If the grant is closed based on a provisional  
68 rate and the final rate is lower, the grantee is required to recalculate indirect costs and return all  
69 excess indirect costs within 45 days of the final rate approval letter.
  - 70 ○ Grantee's Release - the grantee certifies the release of the grantor agency from further  
71 monetary obligations under the grant. Specifically identified claims such as unclaimed wage,  
72 Worker's Compensation claims, or other outstanding claims must be identified and the list  
73 attached to the grantee's release.
  - 74 ○ Grantee's Assignment of Refunds, Rebates, and Credits - the grantee waives claim to any  
75 refunds, rebates, or credits received after the grant has terminated and assures prompt  
76 remittance to the grantor agency.
  - 77 ○ Government Property Closeout Inventory Certification - the form provides for an inventory of all  
78 real or personal property purchase acquired with grant funds or received from the federal  
79 government where USDOL reserves the right to take title; or certification that no such property  
80 was acquired with grant funds.

#### 81 Audit Requirements:

- 82 • The service provider is responsible for independent annual audits of its provider agreement and  
83 associated costs. If a service provider qualifies under the single audit act amendments of 1996, the

84 service provider shall have an audit conducted in accordance with Office of Management and Budget  
85 (OMB) Uniform Guidance 2 CFR part 200 Subpart F and the applicable audit standards set forth in the  
86 Standards for Audit of Governmental Organization, Programs, Activities and Functions issued by the  
87 Comptroller General of the United States.

- 88 • Any audit findings in connection with the provider agreement shall be resolved with the grantor within  
89 180 days of the publication of the final audit report. The grantor may, in its sole discretion, also require  
90 additional audits. The service provider will pay these additional costs.
- 91 • Responsibility for audit costs and for maintaining complete financial records remains with the service  
92 provider.
- 93 • Service providers having a single audit conducted are to inform the auditing firm that audits are to be  
94 made in accordance with the:
  - 95 ○ Generally Accepted Governmental Auditing Standards (GAGAS)
  - 96 ○ OMB Uniform Guidance 2 CFR Part 200 Subpart F
  - 97 ○ AICPA Generally Accepted Auditing Standards
- 98 • The audits will include at a minimum:
  - 99 ○ The systems of internal control;
  - 100 ○ Designation of major programs;
  - 101 ○ Designation of risk;
  - 102 ○ Compliance with laws, regulations, contracts/grants;
  - 103 ○ Financial statements and federal wards schedule; and
  - 104 ○ Prior year audit findings.
- 105 • The examinations are to determine whether:
  - 106 ○ There is effective control over and proper accounting for revenues, expenditures, assets and  
107 liabilities;
  - 108 ○ Financial statements are fairly presented in accordance with generally accepted accounting  
109 principles; and
  - 110 ○ Funds are being expended in accordance with the terms of provider agreements and those  
111 provisions of federal law or regulations that could have a material effect on the financial  
112 statements or the awards tested.
- 113 • Service providers will follow their purchasing policy for acquiring the necessary audit services.
- 114 • A copy of the final audit report is due to the Workforce Services Division's Program Monitoring Unit  
115 within the earlier of 30 days after publication of the auditor's report or nine months after the end of the  
116 audit period.

#### 117 Audit Resolution:

- 118 • The Administrative Entity for the State Workforce Investment Board (SWIB) will require the return of all  
119 funds that were not expended in accordance with laws and regulations.

#### 120 References:

- 121 • [2 CFR 200.343 Closeout](#)
- 122 • [2 CFR 2900.15 Closeout](#)
- 123 • [2 CFR 200 Subpart F - Audit Requirements](#)
- 124 • [Monitoring, Audits, Performance, and Sanctions Policy](#)