



# Workforce Solutions

## Contract Management Policies and Procedures

### Contract Management Policy

All H-GAC Workforce Solutions Subrecipients will use these management policies and procedures in executing the requirements of their contracts, including but not limited to: (1) maintaining financial systems and reports, (2) property (attached), (3) procuring, writing, and managing subcontracts, (4) securing insurance, (5) establishing and maintaining information systems and access, (6) monitoring required aspects of contract performance, (7) handling and processing customer complaints, (8) acquiring and using facilities, and (9) using and implementing required federal and state certifications.

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## Contract Management Policies and Procedures

### **I. Financial Systems and Reporting**

Policies and procedures in regard to financial reporting for the workforce system are issued by the Texas Workforce Commission, and many of these policies and procedures have a direct impact on the tracking and reporting of expenditures by Subrecipients with the Gulf Coast Workforce Board. Emphasis is placed on a consistent reporting definition for administrative costs among non-child care funding streams and accurate reporting of those costs by Subrecipients.

#### **Financial reporting**

Unless otherwise agreed in writing, a Subrecipient must submit a financial report of expenditures at least once monthly. A financial report is considered timely if submitted in accordance to the timeframe outlined below.

- For an organization reporting once per month, expenditure reports are due to H- GAC by Close of Business (COB) on the ninth calendar day of a month for the previous month's expenditures. If the ninth falls on a weekend or on a holiday, the reports are due by COB the next business day following the ninth.
- If a Subrecipient files expenditure reports twice per month, the reports are due to H-GAC by COB on the ninth of the month for expenditures through the end of the previous month, and the twenty-first of the month for expenditures through the fifteenth of the month. If the twenty-first falls on a weekend or on a holiday, the reports are due by COB the next business day following the twenty-first.

It is especially important that the report for the ninth accurately and fully represent cumulative expenditures, including accruals, through the end of the previous month, including any adjustments (made in the current month only) for prior periods. Expenditures reported to H-GAC on the ninth represent the primary basis for monthly expenditure reporting to the grantor agency.

The cash draw from the grantor agency generally will occur on the business day following the due date to H-GAC, usually the tenth and the twenty-second of any given month.

Reports due on the ninth and received earlier, between the first and the ninth, will be held for processing and cash draw in conjunction with other reports due on the ninth. Reports due on the twenty-first and received earlier, between the sixteenth and the twentieth, will be held for processing and cash draw in conjunction with other reports due on the twenty-first.

Reports received after the applicable due date (timely reporting is described above) will NOT be processed and cash will NOT be drawn for payment on those reports until the next processing cycle associated with the next report due date. For example, a report due on the ninth and received on the tenth will NOT be processed until the twenty-second of the month. A report due on the twenty-first but not received until after that date will NOT be processed until the tenth of the following month. Expenditure reports will NOT be processed and cash will NOT be drawn



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on an “as reports are received” basis, unless they are received on the indicated due dates. A Subrecipient can expect to be paid approximately 10 - 12 business days after the report due date. Payment to Subrecipients is made by Electronic Funds Transfer (EFT). EFTs generally will occur twice per week, on Tuesday and on Thursday, with a 2-day settlement at the Subrecipient’s bank.

Subrecipients must report expenditures in electronic format via email. H-GAC will issue each Subrecipient a password for use in submitting the monthly reports to a secure email address: [workforcefinreports@wrksolutions.com](mailto:workforcefinreports@wrksolutions.com). H-GAC will issue a password to a Subrecipient’s Executive Director or equivalent person who will be responsible for assigning appropriate personnel to use the password for report submission. The Executive Director must provide the names and email addresses of individuals (up to three) who are authorized to submit reports. Passwords must be carefully guarded and restricted to authorized individuals and program management for each Subrecipient.

With the electronic financial report submission by email, H-GAC will not require original signatures on separately submitted documentation. When an authorized person uses the password to submit a report, H-GAC will consider that password-protected submission to contain the equivalent of an original signature. **A financial report submitted by anyone not authorized by the Subrecipient’s Executive Director will not be processed and paid by H- GAC. A financial report submitted to a different email address than [workforcefinreports@wrksolutions.com](mailto:workforcefinreports@wrksolutions.com) will not be processed and paid by H-GAC.**

Back-up documentation for reimbursable expenses submitted on each financial report must be maintained by the Subrecipient. However, under normal circumstances, the Subrecipient is not required to submit documentation with the electronically submitted financial reports. Each Subrecipient must ensure that the documentation is readily available for inspection by authorized representative(s) of H-GAC, or its state or federal funding agencies, at any time during normal business hours. H-GAC, or an authorized representative of H-GAC, will schedule a review of backup documentation at least several times during any contract period. H-GAC also may conduct random inspections of such backup documentation. In addition, H-GAC may conduct separate or specific inspections of backup documentation if expenditures or adjustments seem out of line with expectations or with normal and accepted accounting practices. Problems or questions arising as a result of an inspection will be handled in accordance with the terms and conditions of the contract.



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### **Cost Classifications**

For all funding provided to a Subrecipient through the Gulf Coast Workforce Board, Subrecipients are to establish written policies and procedures that address the classification of administrative and direct service/program expenditures. The policies are to include the rationale for the classification decisions set forth by those policies and procedural controls. Written policies and procedures must support efforts for consistent reporting of similar types of expenditures. Inclusion of the rationale behind the policies and procedures is required in order to aid internal and external users (e.g., auditors and monitors) in understanding the intent and consistent application of the same rationale to new or unusual circumstances.

### **Cost Categories**

*Attachment 1* – cost category descriptions (Funds except Child Care and Adult Literacy)

*Attachment 2* – cost category descriptions for Child Care funds

*Attachment 3* – cost category descriptions for Adult Education and Literacy funds

Financial report forms for new contracts or new funding streams added to existing contracts may be revised to incorporate new definitions and cost categories and to facilitate implementation of the special procedures relating to administrative costs that are described below.

### **Administration Cost Caps**

In order for the Gulf Coast Workforce Board to meet local Board, state, and/or federally imposed administration cost limitations, administration cost limitations must be imposed on all Subrecipients. These maximum administration cost limitations or caps must be met by **ALL** Subrecipients (Career Office Subrecipients and other Subrecipients as well) unless specific exemptions are negotiated and incorporated into the final executed contract.

The dollar amount of administration identified in the Funds Tracking Summary attached to each contract is the maximum that may be expended on administration for each specific fund. The actual amount that may be expended may well be less and is governed by the budget negotiated with Workforce Solutions in conjunction with appropriate and consistent application of the Cost Allocation Plan. Common funding streams in Workforce Solutions contracts include:

- **Workforce Innovation and Opportunity Act (WIOA) – Adult**
- **Workforce Innovation and Opportunity Act (WIOA) – Dislocated Worker**
- **Workforce Innovation and Opportunity Act (WIOA) – Youth**
- **Temporary Assistance for Needy Families (TANF) – Choices**
- **Supplemental Nutrition Assistance Program (SNAP) - Employment and Training**
- **Supplemental Nutrition Assistance Program (SNAP) - ABAWD**
- **Child Care Development Fund (CCDF)**



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- **Child Care Development Fund (CCDF) – Local Match**
- **Child Care Development Fund (CCDF) – Quality**
- **Child Care – Protective Services (CCP)**
- **Wagner-Peyser Employment Services (ES)**
- **Noncustodial Parent (NCP) Choices**
- **Trade Adjustment Assistance**
- **National Dislocated Worker (NDW)**
- **Adult Education and Family Literacy (AEL)**

### **Administration Costs**

The description of the administration cost category that is provided in *Attachment 1* is based on definitions included in TWC WD Letter 04-15 Cash Draw and Expenditure Reporting System Instructions.

Although only some portion of the costs to be reported in the administration cost category for Subrecipients will count against the administration cap set by the grantor agency for the board area, all administration costs in each funding stream must be reported to the Board and to the grantor agency, the Texas Workforce Commission. A later section defines and describes the costs that constitute administrative costs.

In general, the costs of administration are the allocable portion of necessary, reasonable, and allowable costs that are associated with the specifically identified functions described in *Attachment 1* that are not related to the direct provision of workforce services, including services to participants and employers. These costs for administration can be both personnel and non-personnel and both direct and indirect.

Expenditures for Subrecipients that are procured solely for the performance of administrative functions, such as payroll processing, legal services, auditing, etc., are to be classified and reported in total as administrative costs.

Personnel and related non-personnel costs of staff performing both administrative functions specified in *Attachment 1* and programmatic services or activities must be allocated as administrative or program costs to the benefitting cost objectives/categories. The allocation must be based on documented distributions of actual time worked or other equitable and acceptable cost allocation methods.

Specific costs charged to an overhead or indirect cost pool that can be identified directly as a program cost are to be charged as a program cost. Documentation of such charges must be maintained. In general, and to the extent possible, in order to avoid potential problems associated with inevitable questions, it is usually preferable to separate from an indirect cost pool all costs that might be considered non-administrative in nature.



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### **Classification of Monitoring Costs**

With exceptions noted elsewhere for some WIOA monitoring activities, monitoring costs of career office Subrecipients are included in assigned administration cost budgets. These monitoring costs are a subset of overall Administration expenditures and are charged against the overall contract Administration budget, but are reported separately in the Financial Report submitted each month. Effectively, these monitoring costs are a subset of overall Administration expenditures and are charged against the overall Administration budget, but reported separately. Monitoring costs of non-career office Subrecipients, with exceptions noted elsewhere for some and WIOA monitoring activities must be reported on a separate line under Administration in the Financial Report submitted each month.

Note that supervisory costs incurred for normal daily oversight and management activities are **NOT** to be reported in the monitoring cost categories for any Subrecipient.

### **Contracts for Administration, Monitoring, or other Specifically Identifiable Activities that May Include Administration and Monitoring**

Where applicable, Subrecipient or subcontractor expenses for administration costs must be broken out in the Financial Report into appropriate reporting subsets such as Monitoring and must be allocated to applicable funding streams using a generally acceptable allocation methodology. This must be done so that H-GAC may appropriately report these expenses to the Texas Workforce Commission.

### **Classification of Property Management Costs**

Property management refers to activities such as receiving, tracking, assigning, taking inventory, and disposing of real property, equipment, and supplies. Property management costs are administrative costs.

### **Classification of Costs for Preparing Reports and Documents**

The costs of preparing reports and documents to support administrative functions are administrative costs.

### **Classification of Profit**

Profit must be charged to the appropriate cost category in proportion to the allocation of costs among administrative and program cost categories as described on page II-10-14 of the United States Department of Labor's *One-Stop Comprehensive Financial Management Technical Assistance Guide* ([http://www.doleta.gov/sga/pdf/FinalTAG\\_August\\_02.pdf](http://www.doleta.gov/sga/pdf/FinalTAG_August_02.pdf)). For example, if a Subrecipient that earned profit reported 8 percent of its total pre-profit expenditures as administrative costs and the remaining 92 percent of its total pre-profit expenditures as program costs, the profit that it earned would be charged between administrative and program cost



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categories in the same proportion as its reported pre-profit expenditures, i.e., 8 percent administration and 92 percent program.

### ***Outreach and Promotional Materials, Advertising, Sponsorships, Employee Apparel, and Award Ceremonies Charged to Contracts Funded through the Texas Workforce Commission - Unallowable Outreach and Promotional Materials***

Outreach and promotional materials that solely promote an organization are unallowable uses of funds awarded by H-GAC. Outreach and promotional materials solely promote an organization if the materials provide information only about that organization.

Examples of information that solely promotes an organization include any of the following, if it does not appear in conjunction with information that promotes program activities:

- Organization's logo
- Organization's name or brand name, including "Workforce Solutions"
- Organization's Web site address
- Contact information, such as addresses and phone numbers

### **Advertising**

Subrecipients must be aware that UGMS defines "advertising costs" as "the costs of advertising media and corollary administrative costs." Advertising media includes "magazines, newspapers, radio and television, direct mail, electronic or computer transmittals, and the like."

**Subrecipients may not spend contract funds on advertising without express prior approval from H-GAC.**

Should H-GAC authorize such an expenditure, a Subrecipient is responsible for ensuring that advertising costs are necessary, reasonable, allocable, and otherwise allowable in accordance with TWC's Financial Manual for Grants and Contracts.

### ***Outreach and Promotional Materials, Advertising, Sponsorships, Employee Apparel, and Award Ceremonies - Allowable Outreach and Promotional Materials***

Costs for outreach and promotional materials are considered public relations costs. The Uniform Grant Management Standards (UGMS) states, "public relations' includes community relations and means those activities dedicated to maintaining the image of" the organization, "or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public."

Subrecipients must not use contract funds for public relations costs unless such costs are all of the following:

1. Specifically required by the grant award.
2. Incurred for outreach efforts involving costs of communicating with the public on specific activities or accomplishments sponsored by the contract award.



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3. Incurred as a cost of conducting general liaison with news media and government public relations officers necessary to keep the public informed on matters of public concern.
4. Authorized by H-GAC in accordance with Workforce Solutions Public Outreach Standards and Guidelines.

Subrecipients may not use contract funds for outreach activities unless they are:

1. Necessary and reasonable for the proper and efficient performance and administration of a program that purchased the materials.
2. Allocable to the contract and fund and charged in accordance with relative benefits received (e.g., costs of outreach and promotional materials promoting multiple activities must be appropriately allocated among benefiting funding streams in accordance with the relative benefit received).
3. Otherwise allowable in accordance with TWC's Financial Manual for Grants and Contracts.
4. Authorized by H-GAC in accordance with Workforce Solutions Public Outreach Standards and Guidelines.

Subrecipients may not use contract funds for promotional materials without express prior approval from H-GAC.

Subrecipients must ensure that:

1. Outreach and promotional materials promote contracted activities by clearly communicating to the public specific items or accomplishments resulting from performance of contracts
2. There is no ambiguity on what activity or service is being promoted.

Subrecipients that have unused inventories of outreach and promotional materials that do not clearly communicate specific activities or accomplishments must:

1. Modify the materials to add information that promotes funded activities
2. Ensure that future purchases include sufficient information to describe the funded activities as set forth in this policy.

Subrecipients may modify existing outreach and promotional materials by affixing a sticker (or for jump drives, and similar items, loading a file) that promotes specific activities or services as described above.

### **Workforce Solutions Nondiscrimination and Equal Opportunity Provisions**

Subrecipients must ensure that any recruitment brochures and other materials that are ordinarily distributed or communicated in written and / or oral form, electronically and / or on paper, to staff, clients, or the public at large, to describe services or activities funded by Workforce Solutions will (1) indicate that the program or activity in question is an "equal opportunity employer / program"; (2) indicate that auxiliary aids and services are available upon request to





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individuals with disabilities; and (3) state the telephone number of the TDD / TTY or relay service by including the Workforce Solutions approved equal opportunity statement.

Subrecipients that H-GAC authorizes to publish or broadcast information about funded activities or services in the news media must:

1. Ensure that such publications and broadcasts state that the activity or service in question is governed by equal opportunity provisions (or otherwise indicate that discrimination is prohibited by Federal law).
2. Indicate that auxiliary aids and services are available upon request to individuals with disabilities.

Subrecipients must not communicate any information that suggests, by text or illustration, that persons are treated differently on any prohibited grounds, except as such treatment is otherwise permitted under Federal law or regulation.

Subrecipients should be aware that WIOA nondiscrimination and equal opportunity provisions at 29 C.F.R. §38.38:

1. Do not require nondiscrimination and equal opportunity information to be displayed on promotional items;
2. Do cover recruitment brochures and other materials ordinarily distributed or communicated to staff, clients, or the public at large, regardless of whether such information is provided orally or in writing, and electronically or on paper; and
3. Do cover program information published or broadcast in the news media.

### **Sponsorships**

Subrecipients must not use H-GAC contract funds for contributions and donations (including cash, property, and services) to others. Examples of contributions and donations include, but are not limited to:

1. Contributions to campaigns or funds to help or assist specific causes;
2. Gifts to charities and other organizations; and
3. Other similar actions.

Contributions and donations to others are unallowable uses of funds.

Subrecipients must not use H-GAC contracted funds to pay sponsorship fees; fees paid by a Subrecipient to cover all or part of the cost of an event produced by another organization(s), usually in exchange for public acknowledgement of funds (e.g. acknowledgement as a sponsor, recognition in an overhead projection, banner display, short presentation about program activities and accomplishments, etc.). A sponsorship fee is a contribution and is unallowable.



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Subrecipients should be aware that the prohibition against use of funds for contributions and donations does not prohibit a Subrecipient from cost sharing in an event produced by another organization(s), provided such costs are allowable under federal and state laws and rules governing the use of the funds.

Subrecipients that cost share in an event produced by another organization(s) must ensure that:

1. The event is a necessary and reasonable cost for the performance of the contract or services or activities to be provided under the contract;
2. The amount of contract funds paid is commensurate with the extent that the funding streams charged do in fact benefit from the event, i.e., the amount is allocable to the charged contract and funding streams;
3. The amount paid is supported by an invoice(s) for the Subrecipient's equitable share of actual event costs.
4. Subrecipient has had its participation approved by H-GAC in accordance with the Workforce Solutions Public Outreach Standards and Guidelines.

Subrecipients must be aware that the prohibition against contributions and donations does not prevent Subrecipients from using contract funds to purchase a booth at a job fair or similar event if the purpose of the booth is to outreach customers.

### **Employee Apparel**

Subrecipients must ensure that employee apparel costs are:

1. Necessary and reasonable for the performance of the Subrecipient;
2. Not used for goods or services that are for personal use;
3. Allocable to the contract and fund(s) (e.g., costs of employee apparel promoting multiple activities or services must be appropriately allocated among benefiting funding streams in accordance with the relative benefit received).

Subrecipient must be aware that determinations on the allowability of employee apparel may consider such factors as:

1. Whether a local procedure is in place that requires employees to wear the apparel for certain activities (e.g., job fairs, disaster-related events, youth group activities); and
2. Whether publicly identifying employees' affiliation with an organization through apparel is necessary for performance of the contract(s) that funded the purchase.

Subrecipient should be aware that employee apparel may display an organization's logo or name without including information about specific activities or accomplishments resulting from performance of contracts, because the employees wearing the apparel will provide such information.

### **Award Ceremonies**



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Subrecipient must be aware that the costs of award ceremonies include the costs of space, speaker fees, and plaques associated with the ceremony. Costs for award ceremonies must:

1. Specifically support the contract award;
2. Be necessary and reasonable for the performance of the contract; and
3. Be allocable to the contract and appropriate funding streams in accordance with relative benefits received.

Examples of award ceremonies that are likely to meet these conditions include those organized:

1. For employer recognition, including:
  - employers that consistently participate in the workforce system or hire job seekers who participate in the workforce system;
  - employers who intermittently participate in the workforce system, but have assisted in partnering on specific projects;
  - employers that have hired specific populations, like veterans or individuals with disabilities;
2. To recognize youth who complete a specific activity (e.g., a science, technology, engineering, and math summer camp).

### **Documentation for Outreach and Promotional Activities**

Subrecipients must retain adequate source documentation to show:

1. The purpose or intent of an activity (e.g., apparel purchase, or promotional, advertising, or award ceremony activities);
2. How the activity is necessary to the contract award;
3. That the activity costs are reasonable;
4. What is included in the costs, for example:
  - what was included in the activity (e.g., a script or description of what was being promoted)
  - detailed specifics (e.g., when, where, how long, etc.)
5. When appropriate, that a “fair share” was allocated to the grant award.

### **Accrual Basis of Accounting**

Subrecipients must report all contract expenditures on an accrual basis. In accrual accounting, revenue is recognized when earned and expenses are recognized when incurred, i.e., economic transactions or events are recognized when they occur and not when the cash settlements for those transactions take place. Revenues and expenses are recorded during the accounting period that includes the underlying real transactions even though cash may not have been received or paid at that point. Accrued expenditures are charges incurred during a given period for goods and tangible property received and services performed that cause decreases in net financial resources, and an accrued expenditure would include those expenses incurred that have not yet been paid. Subrecipients must reasonably estimate accrued expenses based on what is to be paid,



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historical data, or some other reasonable methodology. Subrecipients must maintain documentation to support accrued expenses and the methodology used to determine the amount of accruals to be reported. Documentation can include actual invoices not yet paid.

### **Errors and Omissions**

If a Subrecipient identifies an error or omission from a previous month's certified expenditure report, the Subrecipient must include the corrected amount(s) in the current month's expenditure report under current expenditures. A Subrecipient may not go back to a previous month to make a positive or negative correction as all such corrections must be made under current expenditures in the current month being reported.

### **Expenditure Requirements - Benchmark Targets**

Subrecipients must ensure that each month's expenditures are at a reasonably acceptable level and should manage financial resources to meet the following expenditure benchmark targets for each month, from Month 3 to Month 10 inclusive, as applicable to funding streams contained within their individual contracts. Some variation may be allowed based on instructions from a contract manager who in response to Board or State instructions has directed a Subrecipient to emphasize a particular area of spending. Even in such cases, however, a Subrecipient must have a plan in place and the ability to spend all funds by the termination of the funding streams or the contract or by an earlier date if so indicated in writing in the contract document, the Financial Report, the funding stream budget in the Funds Tracking Summary, or by the assigned contract manager.

For each funding stream listed below and for others that may be included in a contract, H-GAC will be tracking expenditure rates monthly. A Subrecipient, whose rate of expenditure in a particular funding stream is considered less than acceptable by H-GAC, as indicated in writing by the assigned Contract Manager or other appropriate H-GAC personnel, may be subject to de-obligation of funds from that particular funding stream, thereby reducing the total contract value by the amount de-obligated. In general, H-GAC will expect a Subrecipient to be at a minimum of 90% of the target expenditure rate for all non-WIOA funds and a minimum of 85% for all WIOA formula allocated funds (Adult, Dislocated Worker, and Youth), subject to restrictions elsewhere specified and guidance and instruction from the assigned contract manager.

For any other funding streams not specifically identified below, Subrecipient must be on target each month to spend 100% of its contracted amount by the contract end date or by the termination date of the applicable funding stream if that occurs prior to the contract termination date.

In any case, if a Subrecipient fails to expend funds at a reasonably acceptable level, H-GAC may, through unilateral action, de-obligate funds from the contract. H-GAC may also require the Subrecipient to implement a corrective action plan.



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H-GAC may also de-obligate or rescind funds from a Subrecipient due to a reduction of funds or a Board determined need to alter priorities.

Fund	Month 3	Month 10	Target
WIOA Adult, Dislocated Worker, and Youth	December	July	amount corresponding to relative proportion of contract year, subject to additional constraints on spending by June 30 of a contract year
Child Care, Adult Education, and other grant funds	December	July	amount corresponding to relative proportion of contract year

### **Expenditure Requirements - WIOA Maximums by June 30**

Unless otherwise agreed and specified in the Subrecipient's Funds Tracking Summary, a Subrecipient may expend by June 30 of the contract year no more than 75% of the WIOA formula funds budgeted in its contract for WIOA Youth, WIOA Adult and WIOA Dislocated.

### **New Funds Amended Into Contracts - Applicability of Expenditure Requirements**

Unless otherwise specified in writing in an applicable contract amendment, any additional funds amended into a contract become subject to benchmark target expenditure rates sixty days after the amendment has been executed.

Unless otherwise specified in writing in an applicable contract amendment, any additional WIOA formula funds amended into a contract are immediately subject to the June 30 maximum expenditure limitations indicated above.

### **Limitation on Expenditures for Administration**

By the contract closeout, a Subrecipient may not spend a larger proportion of administration dollars budgeted in any funding stream than the proportion of budgeted direct services funds that are actually spent in that same funding stream. For example, if only 70 percent of TANF Choices budgeted direct services funds are spent, Subrecipient may not spend more than 70 percent of budgeted TANF Choices administration funds.

This requirement is interpreted to include in the base for calculation of compliance any funding provided to a Subrecipient without administration dollars that is related to another funding stream and for which administration costs may be appropriately charged to that other funding stream. For example, there may be circumstances in which no administration dollars are provided with certain WIOA Statewide funding, but administration dollars provided in the



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primary WIOA funding streams may be used for administrative activities associated with provision of WIOA Statewide activities.

Specific questions as to what funds may be included under this provision should be addressed to the assigned contract manager.

### **Tracking Budgets, Expenditures and Obligations**

Subrecipient must establish and implement procedures for budgeting and for tracking funds, expenditures, obligations, commitments and accruals. Subrecipient must ensure that its financial management system complies with the essential elements outlined in current Texas Workforce Commission *Financial Manual for Grants and Contracts*, which can be found at [http://www.twc.state.tx.us/business/fmgc/fmgc\\_toc.html](http://www.twc.state.tx.us/business/fmgc/fmgc_toc.html).

Subrecipient must establish and implement procedures for budgeting and for tracking funds, including expenditures, obligations, commitments, accruals, etc., by career office as well as for all offices and/or activities combined. H-GAC may require each career office Subrecipient to report by career office on a quarterly basis, and each career office Subrecipient must be able to report by career office on a quarterly basis.

### **Budget Line Item Variation**

With certain restrictions, a Subrecipient may be allowed by its contract manager a variance on any budget line item without having to request and receive a contract budget amendment from H-GAC. The restrictions are that: (1) the overall budget in the contract, the overall budget in any funding stream, and the overall budget in any cost category may not be exceeded when using the variation; (2) any 15 percent variation in a line item budget is allowed only if it will have the result of being within any one cost category of any funding stream and is not permitted in circumstance where it will cause an adjustment between or among cost categories within a funding stream; (3) the variation is not permitted between or among funding streams; (4) the variation in a line item budget may never be used in any circumstance which would result in the increase of administration costs in the line item budget, or in any funding stream, beyond what has been approved in the original contract or in any formal amendment or modification to the contract; (5) the variation should not increase any personnel line item (including benefits), or indirect line item by any amount above the approved contract budget, as amended, without specific written approval from the contract manager; and (6) the variation may not be used in any circumstance that would alter the basic character of the services or activities that the Subrecipient is required to provide according to the approved Scope of Services to the contract. Any request for an exception to this policy must be justified by the Subrecipient in writing to the assigned contract manager and will require a formal amendment to the contract.

### **Any transfer among budget line, regardless of amount, that will result in a significant**



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**change in the character or scope of services provided under this contract, and particularly a significant reduction or limitation in customer services, will require prior written consent of H-GAC.** Any such transfers undertaken without prior approval will be grounds for disallowance and recovery of unapproved expenditures and/or termination of a contract at the option of H-GAC.

H-GAC recognizes that some transfers between or among budget line items that are substantially different in absolute dollar size will likely cause at least one of the sending or receiving line items to vary by more than 15 percent. In such circumstances and to avoid any misunderstanding about the nature and intent of such transfers, the Subrecipient should request specific, written approval from the assigned contract manager.

Where required and in situations that do not violate the exceptions listed above, approvals for transfers between or among line items may be authorized via email by the assigned contract manager.

### **Cost Allocation Plan**

Every Subrecipient is required to have a detailed cost allocation plan in place by the beginning date of a contract with H-GAC and to have furnished an exact copy of that plan to H-GAC no later than 30 days after the first effective date of a contract. Any changes to the cost allocation plan or methodology must be furnished to H-GAC within 10 days of the date of implementation of the change by a Subrecipient, and any changes to a cost allocation plan must be retroactive to the contract beginning date.

The cost allocation plan must present an acceptable rationale for how costs are to be allocated among the various funding streams and cost categories within each of the funding streams. It must present an acceptable rationale for how costs are allocated to a contract with H-GAC as opposed to any other funding sources available to a Subrecipient. Issues such as indirect costs, pooled costs other than indirect costs, direct charging of certain costs, shared facilities costs, other expenses charged to partners, etc., must be addressed in the cost allocation plan. The cost allocation plan must contain essential elements and detail as described in the Texas Workforce Commission *Financial Manual for Grants and Contracts (FMGC)* and it must contain a written, dated certification by an appropriate official of Subrecipient.

### **Unpaid Accruals at Closeout**

Subrecipient must, as a part of the closeout package submitted to H-GAC, list all unpaid accruals at closeout. In general, all unpaid accruals must be paid within 45 days of the termination of the contract. Beginning 45 days after termination of the contract, unpaid accruals at closeout must be handled as follows:



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All funds held by Subrecipient to pay vendors/sub-recipients must be returned to H-GAC along with a detailed description of each, including the:

- a. Vendor Name
- b. Amount
- c. Purpose
- d. Date of service or product delivery for which accrual was made.

### **Close Out Report**

Each Subrecipient must submit an H-GAC Contract Close Out Report according to instructions and timetables issued by H-GAC. H-GAC will not recognize any request for payment on a contract that is submitted after the deadline for submission of the Contract Close Out Report, generally forty-five days after the termination date of the contract. The Contract Close Out Report must include any Program Income earned and expended in performance of the contract.

### **Close Out of Individual Funding Streams Prior to Full Contract Closeout**

Because the contract may include funds from several different sources, some of which may expire earlier than the termination date of the full contract, H-GAC will require a Closeout Financial Report on the funding stream(s) that expire at dates earlier than the full contract. This final Closeout Financial Report for the early terminating funding stream may involve no more than a specially labeled column added to the financial report in order for Subrecipient and for H-GAC to be able to submit a final report for all additional expenditures occurring before the expiration of the funding stream. The report with the closeout column will be due to H-GAC no later than 45 days following the termination date of the funding stream.

### **Program Income**

For all Subrecipients, other than for-profit Subrecipients, revenues above costs earned in the performance of services under a contract with H-GAC are considered program income as described in the TWC Financial Manual for Grants and Contracts. Program income (earned and expended) must be reported each month. Subrecipients shall disburse program income prior to requesting additional cash payments and keep accurate records for the tracking of all program income earned and expended under the terms of the contract. Subrecipient must report the total amount of program income earned and used on the Contract Close Out Report. A Subrecipient must understand and agree that any program income earned under the terms of a contract may be used solely for the furtherance of the Subrecipient's H-GAC sponsored program(s) and program income may only be used to support the particular program that generated it. The use of program income is limited to providing assistance to individuals who are eligible for services under applicable law in the funding stream/program that generated the program income. Program income is subject to all the requirements of law and regulation applicable to the funding stream generating it as if it were part of the originally approved contract.





## Contract Management Policies and Procedures

A Subrecipient must understand and agree that the Subrecipient is liable to repay, and must repay to H-GAC upon demand, any program income earned under the terms of this Contract which has been determined through audit or investigation not to have been spent according to the provisions of this contract the TWC Financial Manual for Grants and Contracts and applicable laws, regulations, and OMB Cost Circulars.

### Stand-In Costs

Stand-in costs are non-federal, non-state costs that *may under certain circumstances* be substituted, or allowed to **STAND-IN**, for disallowed contract or grant costs *when certain conditions are met*. In order, even to be considered as stand-in costs, the proposed stand-in costs must meet the following criteria. The proposed Stand-In Costs:

- must have been allowable costs incurred under the grant, but not charged to the federal program (or any other program administered by H-GAC or the funding Agency)
- must not have been already reimbursed by any other state or federal grant
- must have been included within the scope of the audit
- must have been accounted for in the auditee's financial system
- may include cash match (expenditures of the organization used as match) that exceeds match requirements under the grant
- must come from the same year as the costs that were proposed to be replaced
- must not cause costs to exceed administrative or other cost limitations

Stand-in costs do not include in-kind match; uncompensated overtime; unbilled premises costs associated with fully depreciated publicly owned buildings; allocated costs derived from an improper allocation methodology; or discounts, refunds or rebates.

**There can be no guarantee that proposed Stand-in costs will be allowed to replace any disallowed costs of a Subrecipient, but unless the criteria above are met and unless the proposed Stand-in costs are reported on the Financial Report form, there is no possibility of using Stand-in costs to replace disallowed costs.**

### Advances

H-GAC may authorize contract advances or the use of cash needs projections to certain Subrecipients, if the legislation and the federal and/or state regulations governing the grant and/or funding stream permit their use by H-GAC and its Subrecipients.

Payments to Subrecipients are to be in accordance with terms and conditions of their contracts, which are typically on a reimbursement basis. Where cash flow is a problem for a Subrecipient, H-GAC may authorize either one of two courses of action to assist a Subrecipient.



## Contract Management Policies and Procedures

The first and preferable method is to have the Subrecipient once monthly project cash needs into the future with an indication of the date and time funds will be needed by the Subrecipient in order to meet its financial obligations and simultaneously to avoid having excess cash on hand. If applicable, H-GAC will draw cash several times monthly from the funding source to coincide with cash needs of the Subrecipient as they are reported on an additional report during the month. The expenditure report due on the ninth as indicated above must be submitted and must contain a reconciliation of expenditures to cash. In addition, once monthly, the Subrecipient must submit an analysis of cash on hand for the previous month, and the Subrecipient is subject to on-site review of all back-up documentation pertaining to expenditures, cash draws, and cash balances on hand. Specifics of this method will be determined in negotiation with an individual Subrecipient. Repeated findings of excess cash on hand and/or abuse of this method for assistance to a Subrecipient will cause H-GAC to revert back to a cost reimbursement only method and/or the imposition of the sanctions set forth in the Special Contract Provisions.

The second and least preferred method of assisting a Subrecipient is through a cash advance. When an advance is permitted, a Subrecipient must meet certain conditions. Those conditions are:

1. The Subrecipient must have and must maintain sufficient financial systems to adequately account for all funds awarded and advanced.
2. As a prerequisite, the Subrecipient must provide to the contract manager a **written statement or letter that demonstrates or justifies a legitimate business need for advance funds**, and the contract manager must approve **in writing** the provision of the advance.
3. The Subrecipient must request the advance on an approved financial report form submitted to H-GAC.
4. An advance may not exceed 1/12 of the total contract amount or 1/12 of any individual funding stream included within the contract.
5. Unless specific alternative arrangements are approved **in writing** by appropriate H-GAC staff, the advance must be completely re-paid by January 31, the last day of the fourth month after the effective beginning date of October 1 of the same contract year. For contracts beginning on some other date, the advance must be completely re-paid by the 120th day after the effective beginning date of the original contract.

In every case and regardless of any exceptions made to the advance repayment deadline, the advance must be liquidated by the end of the performance period. In no case may the total cash payment to a Subrecipient, defined as the sum of any advance(s) and any reimbursements made for expenditures under the contract, ever exceed the face value of the contract. Subrecipients who have demonstrated a history of excess cash on hand may be ineligible for an advance. Also, regardless of any other circumstances, H-GAC reserves the right at any time and for any reason to demand reimbursement of any outstanding advances to any Subrecipient. A Subrecipient requesting an advance must submit requests for an advance to coincide with immediate cash



## Contract Management Policies and Procedures

needs and must ensure that no excess cash is on deposit in the Subrecipient's accounts or the accounts of any of its vendors or subcontractors. Excess cash is defined in the *TWC Financial Manual for Grants and Contracts*. H-GAC may unilaterally change the method of payment from advance to reimbursement if H-GAC determines that a Subrecipient has maintained excess cash or if H-GAC identifies a material deficiency, as defined in the *TWC Financial Manual for Grants and Contracts*, in the cash controls or financial management system maintained by a Subrecipient. If a Subrecipient fails to follow the requirements for advances, the situation may result in funds being provided to that Subrecipient through a reimbursement process only and/or the imposition of the sanctions set forth in the Special Contract Provisions.

### **Fiscal Integrity Evaluation**

Subrecipient must have financial processes and controls in place to safeguard H-GAC and Workforce Solutions financial resources provided to the Subrecipient. The Board's staff or the Board's financial monitor will conduct a fiscal evaluation to determine Subrecipient compliance with requirements contained in the federal regulations, applicable Office of Management and Budget circulars, state statutes, the Workforce Commission's directives, and Workforce Solutions policy. Based on the contract amount, the evaluation will be conducted every year or every other year prior to the final award or renewal of the contract. The evaluation may include the Subrecipient's prior three-year financial history before an award or renewal is made. H-GAC or its representative will review how well the Subrecipient safeguarded fixed assets and properly accounted for program income. During the evaluation, H-GAC will also review the Subrecipient's adverse findings including sanctions, judgments, disallowed and questioned costs, audit and monitoring findings, and the Subrecipient's actions to resolve those issues.

### **Fiscal Integrity Review**

Gulf Coast Workforce Board staff ensure that current and new Subrecipients which have a subrecipient type agreement in nature with H-GAC, receive a fiscal integrity review as indicated.

- Contracts under \$100,000: Fiscal indicators are verified prior to the award of the contract and at each renewal of the contract
- Contracts between \$100,000 and \$500,000: Fiscal indicators are verified prior to the award of the contract, at each renewal of the contract, and not less than biennially
- Contracts over \$500,000: Fiscal indicators are verified prior to the award of the contract, at each renewal of the contract, and not less than once annually.

Fiscal integrity reviews for current active Subrecipients which have a subrecipient type agreement with H-GAC shall include a desk review of the following items:

- Most recent Workforce Solutions Gulf Coast contracted financial monitoring <sup>\*1</sup>
- Most recent independent audit or certified financial statements
- Debarment status



## Contract Management Policies and Procedures

Fiscal integrity reviews for new Subrecipients which have a subrecipient type agreement with H-GAC shall include a desk review of the following items:

- Most recent independent audit or certified financial statements
- Debarment status
- Financial policies and procedures \*2
- Appropriate bonding and insurance \*2
- Cost allocation plan \*2

*\*1 The fiscal integrity evaluation required by 40 TAC §802.21 can be accomplished by relying on the work of other reviews, audits, or examinations, to the extent that such work meets the rule's stated objectives and requirements.*

*\*2 New Subrecipients may be granted up to 30 days into the contract period to provide fiscal integrity documentation if approved by the Contract Manager.*

### **Salary Limitation**

Effective June 15, 2006, Public Law 109-234, Section 7013, contains certain limits on salary and bonus compensation for individuals who are paid in whole or in part by funds appropriated originally to the US Department of Labor, Employment and Training Administration (DOL-ETA) and provided to recipients and sub-recipients. The limitations apply to salary and bonus payments to an individual whether such salaries and bonuses are paid directly from funds appropriated originally to the DOL-ETA or are paid partly or wholly through an indirect cost plan or other cost pool arrangement that is in any part funded using such funds. The limitation has been interpreted by DOL-ETA to limit the annualized **rate** of pay, and the limitation on salaries and bonuses was set at a rate equivalent to no more than Federal Service Executive Level II, raised to \$192,300 effective January 2019. A salary table providing this rate is listed on the Federal Office of Personnel Management website at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/EX.pdf>

For those whose salary and bonuses are only partially compensated with DOL-ETA funds, the limitation has been interpreted to apply as if the annualized rate of pay has been applied to that portion of the salary paid with DOL-ETA funds. For example, if 25 percent of an employee's time is attributable to work performed under grants covered by the provisions in the law, and the annual Executive Level II amount is \$187,000 no more than \$46,750 can be charged to the DOL-ETA grant funds during the year. Per cost principles contained in applicable OMB cost circulars, any excess rate of pay during that time that may not be charged to DOL-ETA grant funds also **MAY NOT** be charged to any other federal grant regardless of agency source. Other situations such as part-year salary and bonus compensation will also require a calculation adjustment to account for the fact that the limitation applies to **RATE** of pay over a 12 month period.



## Contract Management Policies and Procedures

The limitation does not apply to benefits that are not salary and bonuses. For example, fringe benefits, insurance premiums or pension plans paid by a recipient or sub-recipient are not included in the salary limitation calculation.

### **Workforce Solutions Bonus / Merit Raise Policy**

With prior written approval from its H-GAC contract manager, Subrecipient may reward employees by providing performance-based bonuses and merit raises. Merit raises and bonuses must be reasonable. A cost is considered reasonable if it does not exceed that which would be incurred by a prudent person under normal conditions. The reasonableness of costs must be examined with particular care for organizations that receive the majority of their funding from federal funds. Considerations for cost must include, but are not limited to, whether:

- The cost is generally recognized as ordinary and necessary for the operation or the performance of a contract receiving federal funds,
- The individuals concerned acted with prudence in the circumstances considering their responsibilities to the H-GAC and the state and federal government, its employees, and the public at large, and
- Sound business practices were a factor in establishing the cost.

Subrecipient must project the amount for bonuses and merit raises and establish a separate line item for the expected cost in the budget. Subrecipient may spend money from the bonus/merit raise line item only after its bonus/merit raise plan has been approved by its contract manager and the Subrecipient has met performance measures reflected in the its merit raise/ bonus plan.

H-GAC will typically establish two times or more during the contract year to review a Subrecipient's achievement of those specified measures.

At a minimum, when establishing a bonus policy, Subrecipient must:

- Ensure that bonuses are reasonable in cost and are based on a percentage of the employee's base salary.
- Develop and document the policy.
- Identify positions eligible to receive bonuses and ensure that persons conducting similar work are eligible to receive bonuses.
- Inform staff in advance about the availability of bonuses and how bonuses may be earned.
- Specify how and when bonuses will be distributed (such as, quarterly, semiannually or annually).

Costs associated with bonuses and merit raises are allowable if they are reasonable and are



## Contract Management Policies and Procedures

consistent with compensation paid to other employees who perform similar work in the organization.

### **Food**

Food purchases made with Workforce Solutions funds are limited. Subrecipients must exercise discretion and good judgment when making a decision to spend money for food.

Purchasing food with Workforce Solutions funds is generally not allowable. Subrecipients may not use Workforce Solutions funds to buy food for job fairs, open houses and routine or regular staff meetings. Subrecipients may not use Workforce Solutions funds to buy food for their own boards of directors, for Subrecipient social events, or similar kinds of events, including any events where there is a social component or entertainment of any kind. Subrecipients may not use Workforce Solutions funds to purchase alcoholic beverages, to buy or furnish entertainment or to buy any other related items or services explicitly disallowed by applicable federal and state laws and regulations. A Subrecipient may use Workforce Solutions funds to purchase food on rare occasions if the purchase is necessary, reasonable, allocable to a benefiting funding stream, and allowable as a part of a work-related training event. Proper documentation of any and all such food purchases must be maintained by the Subrecipient.

Board staff will not pre-approve expenditures for food. The Board may disallow an imprudent or unallowable expenditure that is questioned during financial monitoring or an audit.



## Contract Management Policies and Procedures

### Travel Reimbursement Rates

#### MAXIMUM REIMBURSEMENT RATES Effective January 1, 2022

<u>TYPE</u>	<u>RATE</u>
<b>MOTOR VEHICLE MILEAGE</b> (privately owned vehicle)	58.5 cents per mile through December 31, 2022 See <a href="#">Texas Comptroller of Public Accounts TexTravel</a> for current rates
<b>AIR FARE</b>	Lowest available rate
<b>MEALS AND LODGING</b> <i>In-State and Out-of-State Non-Overnight</i>	
Meals (receipts not required, expenses itemized)	Up to \$36/day
<i>In-State and Out-of-State Overnight</i>	
Meals (receipts not required, expenses itemized)	Up to the maximum rates established in the <a href="#">GSA's Federal Domestic Maximum Per Diem</a> rates for the applicable federal fiscal year.
Lodging (receipt required)	
	If the city is not listed in the GSA schedule, use the county in which the city is located.
	For locations not listed (city or county), the following rates apply:
	<ul style="list-style-type: none"><li>• Meals, up to \$59/day</li><li>• Lodging, up to \$96/day</li></ul>
<b>ALLOWABLE MISCELLANEOUS EXPENSES</b>	
Car Rental (receipt required)	Requires justification, compact car only, and actual expense including gas
Taxi/Uber/Lyft (receipt not required, but itemized)	Actual expense



## Contract Management Policies and Procedures

Parking (receipt required)	Actual expense
Telephone or Internet (receipt required)	Actual expense
Tolls	Actual expense
Hotel Occupancy Taxes (receipt required)	Actual expense
Sales and Use Taxes (receipt required)	Actual expense if exemption not honored
Cancellation Charges (receipt required)	Requires justification, actual expense

### **UNALLOWABLE MISCELLANEOUS EXPENSES**

Alcohol	No reimbursement
Entertainment	
Tips and Gratuities	
Dry Cleaning and Laundry	

### **NOTES**

1. Travel expense reimbursement is not a per diem. Employees must claim the actual expenses incurred for meals and lodging, not to exceed the maximum allowable rates. The maximum may not be claimed unless the actual expenditures equal or exceed the maximum allowable rate. The reimbursement limit applies without a carry-over from another day.
2. The maximum reimbursement rates provided in this travel policy addendum supersede all reimbursement rates previously provided in the existing Travel Policies and Procedures.
3. Texas Comptroller of Public Accounts TexTravel guide  
<https://fmx.cpa.texas.gov/fmx/travel/textravel/index.php>
4. U.S. General Services Administration Federal Domestic Maximum Per Diem Rates  
<https://www.gsa.gov/travel/plan-book/per-diem-rates>





# Workforce Solutions

## Contract Management Policies and Procedures



### NOTICE OF INVENTORY TRANSFER

*To be completed by manager requesting transfer*

Equipment Description: \_\_\_\_\_

Serial No.: \_\_\_\_\_ H-GAC Asset # \_\_\_\_\_

Organization initiating move: \_\_\_\_\_

Date notice sent: \_\_\_\_\_

Date of anticipated move: \_\_\_\_\_

Moving from (Site Location Address): \_\_\_\_\_

\_\_\_\_\_

Moving to (Site Location Address): \_\_\_\_\_

\_\_\_\_\_

*(forward copies to H-GAC Workforce Contract Management & manager at location of equipment)*

*To be completed at time of equipment moves*

Signature of career center manager releasing equipment \_\_\_\_\_

Initials of person moving the equipment \_\_\_\_\_

Date \_\_\_\_\_

Signature of career center manager receiving equipment \_\_\_\_\_

Date \_\_\_\_\_

*(forward copy of fully completed form to Workforce Contract Management at H-GAC)*

WORKFORCE SOLUTIONS INVENTORY AND EQUIPMENT MANAGEMENT  
NOTICE OF INVENTORY TRANSFER REVISED 11/1/02



## Contract Management Policies and Procedures

### III. Subcontracts

Subrecipient must follow guidelines issued by H-GAC for writing subcontracts. Subrecipient may use its own form for a contract agreement as long as that form includes all required sections and adequately covers all other elements necessary, as described in the General Contract Provisions or in the Special Contract provisions.

H-GAC retains the right to review and approve each and every subcontract written by Subrecipient under this contract prior to execution of the subcontract.

Subrecipient will not subcontract with any corporation that is unable to certify that either it is current in state franchise taxes, pursuant to Article 2.45, Texas Business Corporation Act, or that it is a non-profit corporation. Further, prior to entering into a subcontract, Subrecipient shall obtain the assurance of any sub-f that sub-contractor is current in Unemployment Insurance taxes, Payday and Child labor Law monetary obligations, and Proprietary School fees and assessments, and has no outstanding Unemployment Insurance overpayment balance. Subrecipient shall not contract with any entity debarred from conducting business with the State of Texas.

In any request for proposals, bid solicitations, press releases, statements, and other documents describing projects or programs funded in whole or in part with federal funds, all Subrecipients will state the dollar amount and percentage of the total costs of the program or project to be financed with those federal funds, and the dollar amount and percentage of the total costs of the program or project to be financed by non-governmental sources.

### **All Subrecipients will include the substance of the following sections from the Special Contract Provisions in all subcontracts:**

Section 3	Compliance with Law/Order of Precedence
Section 4	Contract Obligations
Section 5	Sanctions or Remedial Measures
Section 8	Retention and Accessibility of Records
Section 12	Subcontracts
Section 14	Prevention of Fraud and Abuse
Section 15	Prevention of Conflicting Interests
Section 16	Patent Rights
Section 18	Rights in Data
Section 22	Services Provided by Charitable, Religious or Private Organizations
Section 23	Non-assignment



## Contract Management Policies and Procedures

**If the Subrecipient is a government entity, institution of higher education, hospital or other non-profit organization, the following Articles from the General Contract Provisions also apply:**

Article 1	Legal Authority
Article 5	Scope of Services
Article 9	Non-Funding Clause
Article 11	Repayment
Article 12	Subcontracts
Article 13	Audit
Article 16	Changes and Amendments
Article 17	Termination
Article 22	Non-Discrimination and Equal Opportunity

**If the Subrecipient is a for-profit organization or a consultant, the following Articles from the General Contract Provisions also apply:**

Article 1	Legal Authority
Article 5	Scope of Services
Article 9	Non-Funding Clause
Article 11	Repayment
Article 12	Subcontracts
Article 13	Changes and Amendments
Article 14	Termination
Article 16	Copyrights
Article 20	Non-Discrimination and Equal Opportunity

Subrecipients must make timely payments to subcontractors and vendors for properly invoiced goods and services provided to or on behalf of the Subrecipient. Subrecipient must cooperate in all efforts to resolve any discrepancies or concerns with any disputed billings.

Subrecipient shall ensure that the performances rendered under all subcontracts are rendered so as to comply with all the terms and provisions of this Contract as if the performances rendered were rendered by the Subrecipient. All subcontracts are subject to applicable federal and state laws, TWC issuances, and H-GAC policies as included in the Standards and Guidelines, Issuances, correspondence or other means of communication.



## Contract Management Policies and Procedures

### **IV. Bonding, Insurance and Other Methods of Securing Funds to Cover Losses**

1. Subrecipient must obtain, prior to the receipt of funds under this Contract, and maintain, throughout the term of this Contract, a fidelity bond sufficient to cover at least 10% of the total contract amount. Public colleges and are not required to submit a fidelity bond. The Subrecipient must ensure that a bond is executed by a corporate surety or sureties holding certificate(s) of authority to conduct business in the state of Texas. The Subrecipient must also ensure that the company is not in receivership, bankruptcy or some other status which would jeopardize the ability to draw upon the policy. Subrecipient must immediately contact its Subrecipient manager should the bond be reduced or canceled. In the event the fidelity bond is canceled or reduced, H-GAC will not make any further payments to Subrecipient until Subrecipient assures H-GAC that adequate coverage has been obtained. To the extent required by law, H-GAC shall be included as the loss payee on all bonds and certificates of insurance issued to Subrecipient as a result of compliance with this provision.
2. Escrow of funds may be used to secure funds provided that the funds placed in escrow require the signature of persons other than the person(s) authorized to sign Workforce Solutions contract and the funds do not lapse due to requirements for timely expenditure of funds and the provision does not conflict with any other contract provision, state rule or statute for timely expenditure of funds. The Subrecipient must ensure that the escrow account balance is maintained to cover at least 10% of the total contract amount, that the method of securing funds has not been withdrawn, drawn upon, obligated for another purpose or is no longer valid for use as the method of security.
3. To the extent required by law, Subrecipient must provide general liability insurance in amounts sufficient to protect Workforce Solutions equipment and facilities. H-GAC must be named as the insured party in any certificate of insurance issued to Subrecipient in compliance with this provision.
4. As required by the Master Contract between the Houston-Galveston Area Council and the Texas Workforce Commission, Subrecipient must acquire and maintain “errors and omissions” insurance, or the equivalent, as well as other forms of insurance required by state or federal law or regulation.
5. Subrecipient shall acquire and maintain provision for worker’s compensation benefits in the case of a work experience or work training position in which worker’s compensation law applies to the customer in that position. The worker’s compensation benefits must be available for injuries suffered by customers in such positions. If worker’s compensation law does not apply to a customer in such a position, other appropriate insurance coverage



## Contract Management Policies and Procedures

must be secured for injuries suffered by a customer in the course of activity in the position.

6. To the extent required by law, Subrecipient will obtain and maintain throughout the term of this contract any other such insurance coverage as may be required by H-GAC or the Texas Workforce Commission Financial Manual for Grants and Contracts. H-GAC shall be included as the loss payee on all certificates of insurance issued to Subrecipient in compliance with this provision.
7. Subrecipient must ensure that insurance and bonding requirement apply to any subcontracts covered by this contract.
8. Subrecipient must submit proof of bonding, insurance and other methods of securing funds and protecting Workforce Solutions resources to the contract manager. Subrecipient is also responsible for reporting any changes in circumstances regarding the method of securing or protecting funds and resources under its control.
9. Subrecipient must ensure that funds which exceed the amount protected by FDIC insured accounts are protected by bank collateral securities.

### **V. Information Systems**

There are multiple information systems into which Workforce Solutions staff enter and retrieve customer data. The accuracy and timeliness of the data entered is essential to our customer service and Subrecipient accountability. Subrecipient must ensure staff have access to the appropriate information systems and safeguard these information systems from unauthorized access or use.

#### **Data Entry**

Subrecipient must ensure staff update customer records on the same day staff have knowledge of recordable action or information. Inherent in this requirement is the understanding that staff maintain frequent contact with customers according to customer's circumstances and the services Workforce Solutions is providing to the customer.

Data entered into any of Workforce Solutions information systems must be accurate and reliable. Every service recorded in any of Workforce Solutions information systems must reflect the date the customer began to receive the service and the date that service ended.

Subrecipient must monitor and review customer records for data integrity. H-GAC will report data entry deficiencies or inaccuracies to Subrecipient. Subrecipient must take steps to correct data in the time frames requested and ensure that:

- Customer data is entered into the appropriate database



## Contract Management Policies and Procedures

- Customers are eligible for fund(s) used to provide services
- Customers are enrolled in the appropriate service prior to expending funds on their behalf

### **Security**

Subrecipient must comply with:

- Workforce Solutions Information Security Standards and Guidelines posted on [wrksolutions.com](http://wrksolutions.com)
- Workforce Solutions Issuances or Memoranda concerning this subject

Subrecipient will maintain the confidentiality of any Personally Identifiable Information (PII) that identifies or may be used to identify a customer. This applies to both printed and electronic PII.

Individually identifiable information obtained from the Unemployment Insurance system, including wage records, and from WorkInTexas is not public information for the purposes of the Texas Public Information Act.

Subrecipient shall control logical and physical access to all information resources, hardware and software, residing in public access areas. Subrecipient shall develop and maintain a disaster recovery plan for its own computing resources. The plan should cover all relevant platforms – personal computers, local area networks, workstations, and midrange systems as appropriate. Disaster recovery activities should include data backup, local area network recovery testing, and contingency planning functions for all local data.

All users of Workforce Solutions information systems are required to execute an Information Resources Usage Agreement annually. The signed agreement provides written acknowledgment that staff received, read, and understand Workforce Solutions security policies and procedures. Staff must also complete state on-line training for information security and fraud prevention and detection annually. Users who do not comply will lose their rights to access the secure information sources. H-GAC will make reasonable efforts to verify compliance before removing access rights.

To control and safeguard access to these systems H-GAC requires Subrecipients to notify H-GAC's Information and Security staff concerning changes to and revocation of staff access to Workforce Solutions information systems. Notifications must be sent to H-GAC no later than the day of the change.

### **Connectivity**

Subrecipient is responsible for purchasing (with proper approvals and procurement) and maintaining computers and related technical software and hardware to establish and maintain



## Contract Management Policies and Procedures

connectivity with H-GAC's Workforce Solutions Wide Area Network according to H-GAC's requirements and specifications.

### **VI. Quality Assurance**

The Board will use designated staff to review Workforce Solutions operations following the *Monitoring and Oversight Standards and Guidelines*. This monitoring system includes:

- Desk reviews of data base records
- On-site visits to review operations, records, and accessibility
- Financial monitoring by Board staff or others designated by the Board
- Corrective action / resolution process / follow-up reviews when problems are identified
- Reports of monitoring results
- Subrecipient participation, as requested by Board staff, in the Board's Quality Assurance Regional Monitoring Team. Members will consist of staff from career office, employer service, payment office and other Subrecipient staff. The group will perform full monitoring reviews of Workforce Solutions operations.

### **Internal Monitoring**

At the beginning of each program year, Subrecipient will submit an annual risk assessment to the contract manager for each office operated by the date specified. Subrecipient will also submit an internal monitoring plan and a schedule for self-monitoring to address the following areas.

- Compliance with laws, regulations, contracts, standards and guidelines
- Fraud and abuse policy
- Complaint policy
- Electronic files and paper files use and retention

Subrecipient shall monitor according to the schedule agreed upon with contract manager and submit reports on self-monitoring visits to the contract manager and Quality Manager within 30 days of the monitoring.

### ***Workforce Solutions Nondiscrimination and Equal Opportunity Provisions***

Subrecipients should be aware that WIOA nondiscrimination and equal opportunity provisions at 29 CFR §32.14:

1. Require scheduled reviews of job qualifications and job descriptions to ensure that "to the extent job qualifications tend to exclude handicapped individuals because of their handicap, they are related to the performance of the job and are consistent with business necessity and safe performance".
2. Subrecipients are responsible for this review for their employees, while the Financial Aid Payment Office (FAPO) is responsible for the review of scholarship occupations provided to customers.



## Contract Management Policies and Procedures

3. Results of these reviews must be submitted to the Equal Opportunity Officer during annual reviews.

### **Policy on Repeat Findings**

The Gulf Coast Workforce Board expects its Subrecipients to deliver quality service while meeting the Board's franchise and contract requirements. When independent auditor, Board, or Regional Quality Assurance Group reviews identify findings of noncompliance, the Board expects its Subrecipients to resolve those findings and correct problems promptly within the requested time frame.

The Board may levy sanctions against a Subrecipient when there is a repeat finding of non-compliance or when an initial finding is so severe that the Board staff and/or the Audit and Monitoring Committee has reasonable concerns regarding the Subrecipient's compliance with program requirements or its financial stability. Sanctions may include any of the options available under the Board's contract, including contract termination.

### **VII. Customer Complaints**

Subrecipient will make sure that Workforce Solutions posters informing and instructing applicants on complaint procedures are posted in every office in clear and open view of public traffic.

Subrecipient will follow the steps outlined for notifying customers of the complaint process, filing a complaint, and processing a complaint listed in the *Discrimination Complaint Processing* section of the *Equal Opportunity Standards and Guidelines* and the *Complaint Processing Standards and Guidelines*.

### **VIII. Facilities**

#### **Acquiring / Moving Facilities**

Subrecipient must justify a move from the current location to another one by demonstrating necessity and benefit to customers. Subrecipient must submit a proposal to move an office to its contract manager at least 120 days prior to the planned move date.

An accessibility review must be completed to ensure facilities are compliant with physical accessibility requirements specified in the 2010 ADA Standards for Accessible Design and 2012 Texas Accessibility Standards. If physical accessibility issues are identified, they should be corrected prior to signing a new lease or lease renewal, or costs for modifications should be negotiated into the lease.

#### **Resource Room Equipment**





# Workforce Solutions

## Contract Management Policies and Procedures

Subrecipient is responsible for purchasing (with proper approvals and procurement) and maintaining computers and related technical software and hardware to meet requirements in the management information systems established in Workforce Solutions Standards and Guidelines for client access to specified information and services in the Resource Room at each career office.

Subrecipient is also responsible for purchasing (with proper approvals and procurement) and maintaining assistive technology and auxiliary aids that meet established minimum accessibility requirements for each career office.

H-GAC will provide technical assistance and general information. Installation, updating, ongoing maintenance, and continued connectivity to required systems are the responsibility of the Subrecipient, either through having staff assigned for that purpose or through contracting for the technical expertise to achieve that purpose.



## Contract Management Policies and Procedures

### **X. Attachments**

#### **Attachment 1: Non-Child Care Cost Category Descriptions**

The following descriptions identify types of costs that are reportable in expenditure cost categories for funding streams other than Child Care and Adult Education and Literacy. The funding stream acronyms used below are defined at the end of this attachment.

#### ***Administration Costs (WIOA, Wagner-Peyser ES, SNAP, NCP, TRA, TANF)***

Administrative costs to be reported in this line item/cost category are those administrative costs incurred by sub-recipients are under the Uniform Administrative Requirements and the State of Texas Single Audit Circular in Part IV of the Uniform Grant Management Standards (UGMS). Also, include such costs if they are incurred by a lower-tier sub-recipient.

The administration costs that should be reported in this cost category are those necessary costs incurred for the overall administration and management of contracted services. Administration costs include:

- Accounting, financial management, budgeting, cash management, property management, procurement and purchasing, payroll, and personnel management functions.
- Monitoring and audit (including internal audit) functions, and coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports.
- Fraud and abuse units.
- General legal services functions (and litigation).
- Information systems related to administrative functions, including purchase, system development, and operations.
- The portion of salaries, wages, fringe benefits, staff training, supplies, postage, travel, equipment, facilities, utilities, and other costs required for administrative functions of the program.
- Continuous improvement activities of administrative functions.
- Development of program plans, budgets, and schedules, except for that portion of costs allocable to WIOA.
- Conducting public relations activities directed at state and local officials and the general public and not related to program outreach and required informing processes.
- Preparing reports and documents.
- Profit or fee earned that is associated with administrative functions; i.e., such profit or fee should be allocation among cost categories in proportion to the allocation of pre-profit costs among those cost categories.

Exclude the following from administration for the WIOA funding streams only:

- The development of program plans, budgets, and schedules.
- Negotiating Memorandums of Understanding and other program level agreements.
- Monitoring program for compliance with program requirements.



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### ***Monitoring Costs (Wagner-Peyser ES, SNAP, NCP, TRA, TANF) (Exception: WIOA Program Monitoring)***

Monitoring costs (other than WIOA direct services program monitoring costs) are the costs of monitoring delivery of direct services or projects to determine whether:

- There is compliance with applicable laws, regulations and other requirements;
- Performance goals are achieved; and
- Expenditures have been made against applicable cost categories and within applicable cost limitations.

### **Expenditures reported in this cost category count against applicable administrative cost caps.**

Examples of monitoring activities include periodic system-wide, programmatic and fiscal monitoring reviews of programs, and the associated reporting and resolution of findings. For purposes of this policy, monitoring does not include on-going control activities that are built-in to daily activities, such as supervisory or on-going case file/quality assurance reviews, which should be classified according to the nature of the function being reviewed (e.g. the costs of ongoing quality assurance reviews of case files are programmatic costs because such reviews are a control activity with the purpose of ensuring that clients receive appropriate services and that required supporting documentation is maintained on file).

### ***Information Systems (TANF, NCP)***

Information systems costs are those costs incurred under TANF Choices for non-administrative information technology systems (including costs directly associated with development, maintenance, support, and operations) used for tracking and monitoring participant data required by or under Title IV Part A of the Social Security Act. This reporting category is to be used by all Board Subrecipients with TANF Choices funding that are sub-recipients (Career office operators and non-Career Office operators and any lower-tier sub-recipients).

This category must not include non-systems costs. Therefore, do not include costs that are indirectly associated with such systems; e.g., rent and utility costs must not be included in this category, because such costs are not directly associated with development, maintenance, support, and operation of information technology systems. Personnel costs for data entry clerks, statisticians, and report writers must not be included; however, do include salary and wage costs for personnel who develop, maintain, support, and operate the system.

### ***Career Services (WIOA, Wagner-Peyser ES, SNAP, NCP, TANF)***

Includes career services described at 20 CFR §678.430, as allowable under grant funding for which this category is available, and staff and operating costs associated with expenditures



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reported in direct program and support services cost categories. Also report in this cost category, facilities, utilities, and similar costs associated with programmatic-type activities.

### **Career services:**

The term “career services” replaces “core” and “intensive” services, as authorized by WIOA. There are three types of career services: basic career services, individualized career services, and follow-up services. These services can be provided in any order; there is no sequence requirement.

The three categories of career services are defined as follows:

#### Basic Career Services:

- Determining whether the individual is eligible to receive assistance
- Outreach, intake (including identification through the state’s Worker Profiling and Reemployment Services system of unemployment insurance (UI) claimants likely to exhaust benefits), and orientation to information and other services available through the Texas workforce system
- Initial assessment of skill levels, including literacy, numeracy, and English language proficiency, as well as aptitudes, abilities (including skills gaps), and support service needs
- Labor exchange services, including:
  - job search and placement assistance; and
  - when needed by an individual, career counseling, including:
    - provision of information on in-demand industry sectors and occupations (as defined in WIOA §3(23)); and
    - provision of information on nontraditional employment (as defined in WIOA §3(37))
- Provision of referrals to and coordination of activities with other services and other workforce development activities
- Provision of workforce and labor market employment statistics information, including the provision of accurate information relating to local, regional, and national labor market areas, including:
  - job vacancy listings in labor market areas;
  - information on job skills necessary to obtain the vacant jobs listed; and
  - information relating to local in-demand occupations and the earnings, skill requirements, and opportunities for advancement in those positions;
- Provision of performance information and program cost information on eligible providers of training services
- Provision of information about how the workforce area is performing on local performance accountability measures, as well as any additional performance information relating to the area’s workforce delivery system
- Provision of information relating to the availability of support services and assistance, and appropriate referrals to services and assistance, including: child care; child support; medical or child health assistance available through the state’s Medicaid program and Children’s Health Insurance Program; benefits under the Supplemental Nutrition Assistance Program



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(SNAP); assistance through the Earned Income Tax Credit; housing counseling and assistance services sponsored through the U.S. Department of Housing and Urban Development; and assistance under a state program for TANF and other support services and transportation provided through that program

- Assistance in establishing eligibility for financial aid assistance not provided under WIOA
- Provision of information and assistance regarding filing claims under UI programs, including meaningful assistance to individuals seeking assistance in filing a claim.
- Meaningful assistance means providing assistance:
  - on-site using staff who are properly trained in UI claims, filing, and/or the acceptance of information necessary to file a claim; or
  - via phone or other technology, as long as the assistance is provided by trained and available staff in a timely manner.

*Note:* The costs associated with providing meaningful assistance may be paid by WIOA Adult, Dislocated Worker, Wagner-Peyser Employment Service, or some combination of these funding sources.

### **Individualized Career Services:**

- Comprehensive and specialized assessments of the skill levels and service needs of individuals, which may include diagnostic testing and use of other assessment tools and in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals
- Development of an individual employment plan to identify the employment goals, appropriate achievement objectives, and appropriate combination of services for the customer to achieve his or her employment goals, including the list of, and information about, eligible training providers
- Group and/or individual counseling and mentoring
- Career planning (e.g., case management)
- Short-term prevocational services, including development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct to prepare individuals for unsubsidized employment or training; in some instances pre-apprenticeship programs may be considered as short-term prevocational services
- Internships and work experiences that are linked to careers
- Workforce preparation activities that help an individual acquire a combination of basic academic skills, critical thinking skills, digital literacy skills, and self-management skills, including competencies in utilizing resources, using information, working with others, understanding systems, and obtaining skills necessary for successful transition into and completion of postsecondary education, training, or employment
- Financial literacy services
- Out-of-area job search assistance and relocation assistance
- English language acquisition and integrated education and training programs

### **Follow-up Services:**



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Follow-up services must be provided as appropriate to customers placed in unsubsidized employment, for up to 12 months after the first day of employment. Counseling about the work place is an appropriate type of follow-up service.

**Note: The listings above are provided to indicate the types of activities that are associated with this cost category. However, note that not all of the activities listed above are allowable under the authorizing legislation and/or implementing regulations for all of the funding streams for which this reporting category is available—i.e., different activities are authorized for different funding streams. For each funding stream, only include expenditures for activities that are allowable, or at least not expressly unallowable, under that particular funding stream.**

### ***Financial Aid: Education & Training -- Direct Services (WIOA, SNAP, NCP, TRA, TANF)***

This reporting category includes all costs of education and training activities necessary for obtaining employment, including costs of the following services as allowable under grants for which this category is available:

- Secondary education leading to a high school diploma;
- Course of study leading to a General Educational Development credential;
- Basic skills and literacy;
- English proficiency;
- Vocational education for up to 12 months, which prepares participants for employment in current or emerging occupations that do not require a baccalaureate or advanced degree;
- English as a second language;
- Adult education;
- On-the-job training and customized training; and
- Other allowable education and training services not listed above (excluding WIOA Youth activities that are reportable under Direct Services - Career Services).

**Note: The listings above are provided to indicate the types of activities that are associated with this cost category. However, note that not all of the activities listed above are allowable under the authorizing legislation and/or implementing regulations for all of the funding streams for which this reporting category is available—i.e., different activities are authorized for different funding streams. For each funding stream, only include expenditures for activities that are allowable, or at least not expressly unallowable, under that particular funding stream.**

### ***Financial Aid: Support Services - Transportation (WIOA, WSA, SNAP E&T, NCP, TANF)***

Costs to be reported in this category include all allowable transportation support services for funding streams for which this category is available, including transportation expenses for



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Choices clients that are otherwise reportable as Non-recurring short-term services (e.g., car repairs or transportation provided for four months or less).

Exclude transportation expenditures that are used as match for a transportation project, such as JARC.

Report such expenditures in the Support Services, such as, JARC Transportation cost category.

Also, exclude any transportation that is TANF Assistance (e.g., provided to unemployed persons for five months or more).

Costs to be reported in this category include all allowable transportation support services for grant contracts for which this category is available, including transportation expenses for Choices customers that are otherwise reportable as Non-Recurrent Short-Term Services (e.g., car repairs or transportation provided for four months or less).

Exclude transportation expenditures that are used as match for a Job Access and Reverse Commute (JARC) project. Report such expenditures in the Support Services - JARC Transportation cost category. Also, exclude any transportation that is considered Assistance under the TANF program (e.g., provided to unemployed persons for five months or more). This means that this category must be used to report expenditures for transportation support services and post-employment transportation services for the following individuals, unless the expenditure will be used as match for a JARC project:

- Unemployed Choices eligible or Choices participants for whom the transportation:
  - is designed to deal with a specific crisis situation or episode of need;
  - is not intended to meet recurrent or ongoing needs; and
  - will not extend beyond four months; and
- Employed Choices eligible or Choices participants.

### ***Financial Aid: Support Services - JARC Transportation (WIOA, WSA, SNAP, NCP, TANF)***

This cost category includes all program expenditures used as match for a JARC project. If the transportation expenditure will be used as match for a JARC project, report it in this category.

Do not include an expenditure reported under this category in *Financial Aid: Support Services - Transportation*.

### ***Work Experience (WIOA Youth)***

Only for WIOA Youth, paid and unpaid work experiences that have as a component academic and occupational education that includes summer employment opportunities and other employment activities throughout the school year, pre-apprenticeship programs, internships and job shadowing, and on-the-job training opportunities. Subrecipient must track funds spent on paid and unpaid work experiences, including wages and staff costs for the development and



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management of work experiences, and report such expenditures as part of the local WIOA youth financial reporting.

### ***Incumbent Worker Training (WIOA Adult and Dislocated Worker)***

Incumbent worker training is generally defined as efforts on the part of employers to provide training to currently employed workers in order to help keep them employed. Employers are required to pay a minimum share of training costs depending on the number of employees as follows:

- At least 10 percent of the cost, for employers with 50 or fewer employees;
- At least 25 percent of the cost, for employers with 51 to 100 employees; and
- At least 50 percent of the cost, for employers with more than 100 employees.

### ***Transitional Jobs (WIOA Adult and Dislocated Worker)***

A category of work-based training defined as time-limited work experiences that are subsidized and are in the public, private, or nonprofit sectors for individuals with barriers to employment who are chronically unemployed or have an inconsistent work history. They are combined with comprehensive career and support services.

### ***Supportive Services - Work-Related Incentives (WIOA, NCP, TANF)***

This cost category includes all expenses for compensation to customers of the system in the form of cash, checks, gift cards, and nonmonetary gifts or vouchers provided to them in exchange for meeting specified goals. Work-related incentives do not include support services such as child care, transportation or reimbursement of work-related expenses.

### ***Supportive Services - Other (WIOA, WSA, SNAP, NCP)***

Costs to be reported in this category include allowable support services other than transportation and work-related incentives that are necessary to enable a customer of the system to participate in services supported by an applicable and appropriate funding stream for which this category is available (e.g., allowable dependent care, housing, and needs-related payments).

**Note: SNAP E&T funds cannot be used to provide child care. Child care services for SNAP E&T general population participants can be funded with Child Care and Development Fund funds.**

### ***619 Incumbent Worker Training (WIOA Adult and Dislocated Worker)***

Incumbent worker training is generally defined as efforts on the part of employers to provide training to currently employed workers in order to help keep them employed. Employers are required to pay a minimum share of training costs depending on the number of employees as follows:

- At least 10 percent of the cost, for employers with 50 or fewer employees;
- At least 25 percent of the cost, for employers with 51 to 100 employees; and





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- At least 50 percent of the cost, for employers with more than 100 employees.

### ***Subsidized Employment (TANF)***

This category includes the costs of full or part-time TANF subsidized employment in the private or public sector, as provided for in the policies of the Board, including payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training.

### ***Individual Development Accounts (TANF)***

Costs to be reported in this category include all costs incurred to operate a TANF Individual Development Account (IDA) activity, including expenditures or contributions to IDAs and other non-administrative expenditures related to the operation of an IDA activity.

### ***Non-Recurrent Short-Term Services (TANF)***

Costs to be reported in this category include non-transportation support services costs (including housing and utilities), provided under TANF Choices that are:

- designed to deal with a specific crisis situation or episode of need;
- provided for less than four months; and
- not intended to meet recurrent or ongoing needs. This includes work-related expenses such as those for tools, uniforms, etc.

**Note: Report non-recurring short-term services for transportation under Support Services - Transportation or Support Services - JARC Transportation, as appropriate.**

### ***TANF - Assistance (TANF)***

Costs to be reported in this category are the costs of those Choices support services excluding non-recurring short-term services) provided to unemployed families. This includes transportation that is classified as TANF Assistance (e.g., provided to an unemployed person for five months or more). A detailed description of what assistance includes and excludes is provided in 45CFR §260.31 of the TANF Regulations.

### ***TANF Choices - Supplemental Cost Category (TANF)***

Transitional Services for Employed—cumulative costs of providing transitional services to former TANF recipients that cease to receive TANF due to employment. The expenditures in this line will be a subset of expenditures reported under the TANF Choices grant award.

### ***Prevention of Out of Wedlock Pregnancies (TANF)***

This cost category is applicable to TANF Choices only and NCP only includes costs for prevention of out-of-wedlock pregnancy activities that have not been reported elsewhere.



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### ***Parent Family Formation (TANF)***

This cost category is applicable to TANF Choices and NCP only and includes costs for two-parent family formation and maintenance activities that have not been reported elsewhere.

### ***Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T) ABAWD***

In instances when expenditures to serve SNAP E&T Able Bodied Adults Without Dependents (ABAWDs) are allowable under SNAP E&T ABAWD-only and another SNAP E&T funding stream (e.g. SNAP E&T General Population funds), the expenditure must be charged to ABAWD-only funds to the extent that the ABAWD-only funds are available. If ABAWD-only funds have been fully obligated/expended, and the expenditure is allowable under SNAP E&T General Population funds, the expenditure must be charged to the SNAP E&T General Population funds to the extent that such funds are available. Expenditures that are allowable under only the SNAP E&T General Population funds should only be charged there and never to SNAP E&T ABAWD-only funds.

### ***WIOA Youth Summer Employment Supplemental Cost Category***

Costs for summer employment opportunities, excluding associated staff and operating costs. Subrecipients expending WIOA Youth funds for summer employment for youth must report expenditures for this activity in a supplemental cost category for WIOA Youth. Summer employment expenditures include those for summer employment activities that occur during the defined period of operation of the summer employment components, including:

- work experience wages and fringe benefits paid to summer employment participants; and
- other activities provided in conjunction with work experience, such as:
- academic basic skills enrichment activities;
- work readiness activities; and
- on-the-job training.

The expenditures in this line will be a subset of expenditures reported under the respective WIOA grant award.

### ***Wagner-Peyser ES Supplemental Cost Category***

A **Veterans' Leadership Initiative** cost category will be available for grant awards for allocated Wagner-Peyser ES funds. Expenditures for this initiative must be reported on this line item which will be a subset of expenditures reported under the respective Wagner-Peyser ES grant award.

### ***Outplacement or Rapid Response (WIOA Dislocated Worker)***

This category includes the allowable costs of Outplacement (or Rapid Response) activities.



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- Immediate and on-site contact with the employer, representatives of affected workers, and the local community. This may include an assessment of: the layoff plans and schedule of the employer; potential for averting the layoffs in consultation with state or local economic development agencies, including private sector economic development entities; background and probable assistance needs of the affected workers; reemployment prospects for workers in the local community; and available resources to meet the short and long-term assistance needs of the affected workers.
- The provision of information and access to UI benefits, comprehensive Texas workforce system services, and employment and training activities, including information on the Trade Adjustment Assistance (TAA) and NAFTA-TAA programs.
- The provision of guidance and/or financial assistance in establishing a labor-management committee voluntarily agreed to by labor and management, or a workforce transition committee comprised of representatives of the employer, the affected workers, and the local community. The committee may devise and oversee an implementation strategy that responds to the reemployment needs of the workers. Assistance to this committee may include: (1) the provision of training and technical assistance to members of the committee; (2) funding the operating costs of the committee to enable it to provide advice and assistance in carrying out rapid response activities and assist it in the design and delivery of WIOA-authorized services to affected workers (which will typically last no longer than six months); and (3) providing a list of potential candidates to serve as a neutral chairperson of the committee.
- The provision of emergency assistance adapted to the particular closing, layoff, or disaster.
- In conjunction with other appropriate federal, state, and local agencies and officials, employer associations, technical councils or other industry business councils, and labor organizations: (1) developing prospective strategies for addressing dislocation events that ensure rapid access to the broad range of allowable assistance; identify strategies for the aversion of layoffs; and develop and maintain mechanisms for the regular exchange of information relating to potential dislocations, available adjustment assistance, and the effectiveness of rapid response strategies; (2) in collaboration with the appropriate state agency(ies), collecting and analyzing information related to economic dislocations, including potential closings and layoffs, and all available resources in the state for dislocated workers, in order to provide an adequate basis for effective program management, review, and evaluation of outplacement and layoff aversion efforts in the state; (3) participating in capacity building activities, including providing information about innovative and successful strategies for serving dislocated workers, with local areas serving smaller layoffs; (4) assisting in devising and overseeing strategies for: (a) layoff aversion, such as pre-feasibility studies of avoiding a plant closure through an option for a company or



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group, including the workers, to purchase the plant or company and continue it in operation; (b) incumbent or current worker training, including employer loan programs for employee skill upgrading; and (c) linkages with economic development activities at the federal, state, and local levels, including Federal Department of Commerce programs and available state and local business retention and recruitment activities.

### *List of Acronyms*

- **WIOA** – Workforce Innovation and Opportunity Act which includes Workforce Investment Act (WIA) Formula Allocated Dislocated Worker (DW), Adult, In-School Youth (ISY) and Out-of-School Youth (OSY)
- **Wagner-Peyser ES** - Wagner-Peyser Employment Services
- **SNAP** – Supplemental Nutrition Assistance Program
- **E&T** - Employment and Training
- **ABAWD** - Able-Bodied Adults Without Dependents
- **NCP** - Noncustodial Parent; Choices Program
- **TRA** - Trade Act Services
- **TANF** - Temporary Assistance for Needy Families



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### **Attachment 2: Child Care Cost Category Descriptions**

The following descriptions identify types of costs that are reportable categories for child care. The program acronyms used below are defined at the end of this part.

#### ***Administration Costs in CCDF***

Administrative costs incurred by entities responsible for administering the program including:

- accounting, financial management, budgeting, cash management, property management, procurement and purchasing, payroll, and personnel management (e.g., human resources) functions;
- compliance monitoring of a sub-recipient or program evaluation (excludes costs of monitoring or evaluating child care providers, and monitoring the quality of services provided); audit functions (including internal audit); and coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports;
- general legal services functions;
- information systems related to administrative functions, including purchase, system development, and operations;
- the portion of salaries, wages, fringe benefits, staff training, supplies, postage, travel, equipment, facilities, utilities, and other costs required for administrative functions of the program;
- continuous improvement activities of administrative functions;
- planning, developing, and designing the CCDF program, including the development of program plans, budgets, and schedules;
- coordinating the provision of CCDF services with federal, state, and local child care programs, early childhood development programs, and before- and after-school care programs;
- developing agreements with other administering organizations in order to carry out program activities;
- conducting public relations activities directed at state and local officials and the general public;
- providing local officials and the public with information about the program, including the conduct of public hearings;
- preparing reports and documents associated with administrative functions;
- maintaining substantiated complaint files in accordance with 45 C.F.R. §98.32;
- and
- indirect costs in which the pooled costs are costs of administrative functions.

All costs of contracts for providing direct services, including costs of establishing and operating a certificate program, are non-administrative costs. All costs of contracts that are solely for providing administrative services are administrative costs. If a contract provides both



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administrative and program services, an appropriate share of the contract costs must be attributed to administrative and non-administrative costs.

### ***Administration Costs in CCP***

Allocable costs other than those for direct care that are reasonably necessary to provide child care services to Department of Family and Protective Services-referred children.

### ***Information Systems***

Information systems costs of non-administrative information technology systems (including costs directly associated with development, maintenance, support, and operations).

### ***Operational Costs***

Eligibility determination, redeterminations, child care placement, rate setting, resource and referral services, training, recruitment, reviews and supervision of child care placements, and appeal hearings.

### ***Direct Care***

Direct care refers to the costs of actual services provided to customers (e.g., the cost of child care slots purchased from providers).

### ***Quality Improvement - Non-Direct Care***

Quality improvement activities as described in Commission rule §809.16, e.g., collaborative reading initiatives\*; school readiness, early learning and literacy activities; or local-level support to promote child care consumer education provided by 2-1-1 Texas. Such activities may be designed to meet the needs of children in any age group eligible for Commission-funded child care, as well as children with disabilities.

Examples of activities that support collaborative reading initiatives, school readiness, early learning, and literacy include professional development and training for child care providers or purchase of curriculum and curriculum-related support resources for child care providers.

The activities include:

- professional development relating to early learning workshops;
- early literacy and language development training aligned with the state's prekindergarten guidelines;
- mentoring of early literacy and language development based on scientifically based research practices and strategies for improving child performance in language and literacy;
- evaluating child performance in language and literacy in the classroom;
- basic class structure that encourages development of language and literacy;



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- Center for Improving the Readiness of Children for Learning and Education (CIRCLE) train-the-trainer training;
- literacy kits for child care providers;
- school readiness, early learning, and literacy awareness campaigns
- scholarships for college courses relating to early learning, literacy, and school readiness;
- training using research-based curriculum approved by the State Board of Education or the Texas Education Agency, or research-based curricula from the State Center’s adopted list;
- early literacy packets for mothers of newborns;
- early literacy resources for child care lending libraries that are directed at parents and teachers to help them extend a child’s literacy experience; and personal digital assistant tools.

\*A collaborative reading initiative is one in which a Board and at least one other entity work together to promote early language, literacy, and pre-reading development to promote and provide language and literacy activities based on scientifically based research that supports the age-appropriate development of language skills, vocabulary, phonological awareness, letter knowledge, and letter sounds.

### ***Infant/Toddler Earmark (Non-Direct)***

Quality activities as described in Commission rule §809.16 that are in addition to those reported under *Quality Improvement (Non-Direct)*, but that are specifically designed to improve the quality of child care for children 0-36 months.

### ***School Age R & R Earmark (Non-Direct)***

Quality activities as described in Commission rule §809.16 that are in addition to those reported under *Quality Improvement (Non-Direct)*, but that are specifically designed for child care resource and referral and school-aged child care activities.

### ***Quality Expansion Earmark (Non-Direct)***

Quality activities as described in Commission rule §809.16 that are in addition to those reported under *Quality Improvement (Non-Direct)*. Such activities may be designed to meet the needs of children in any age group eligible for Commission-funded child care, as well as children with disabilities.

### ***TRS Personnel Costs***

Salaries and benefits for staff involved in recruiting, orientation, mentoring, technical assistance, monitoring, tracking, reviewing and approving applications, assessments, and reassessments for the TRS provider certification system. Staff refers to staff of both the Board and child care Subrecipient.



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### ***TRS Promotion and Supports***

Promotion includes costs for banners, flyers, and media (e.g., commercials) for the TRS provider certification system. Supports include postage, communications (e.g., printed materials), supplies, facility rental space, and information technology materials and support for the TRS provider certification system.

### ***List of Acronyms***

**CCF** - Child care funds

**CCM** - Child care match funds

**CCP** - Child care funded through the Texas Department of Family and Protective Services

**CCQ** - Child care quality funds

**TRS** - Texas Rising Star





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### **Attachment 3: Adult Education and Literacy Cost Category Descriptions**

The following descriptions identify types of costs that are reportable categories for adult education and literacy projects. The program acronyms used below are defined at the end of this part.

#### ***Functional Category - Program***

Include in this category costs supporting adult basic education, literacy, English literacy and civics education activities that are not otherwise reported in “Corrections Institutions” or “Workforce Training” categories.

#### ***Functional Category - Corrections Institutions***

Costs of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for:

- basic education;
- special education programs;
- English literacy programs; and
- secondary school credit programs.

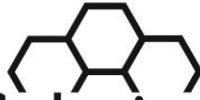
#### ***Functional Category - Workforce Training***

Costs in this category may include the following:

1. Occupational skills training, including training for nontraditional employment;
2. On-the-job training;
3. Incumbent worker training;
4. Programs that combine workplace training with related instruction, which may include cooperative education programs;
5. Training programs operated by the private sector;
6. Skills upgrading and retraining;
7. Entrepreneurial training;
8. Transitional jobs;
9. Job readiness training provided in combination with services described in 1 - 8;
10. AEL activities, including activities of English language acquisition and IET programs, provided concurrently or in combination with services described in 1 through 7; and
11. Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

#### ***Supplemental Category - Professional Development***

Costs for the establishment or operation of professional development programs to improve the



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quality of instruction provided pursuant to local activities required under AEFLA §231(b), including instruction incorporating phonemic awareness, systematic phonics, fluency, and reading comprehension, and instruction provided by volunteers. (AEFLA §223(a) (1))

### *List of Acronyms*

**AEFLA** - Adult Education and Family Literacy Act

**IET** – Integrated Education and Training