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NEW YORK STATE WORKFORCE DEVELOPMENT SYSTEM TECHNICAL ADVISORY

Workforce Development System Technical Advisory #09-1.1

TO: Workforce Development Community

DATE: December 16, 2009

SUBJECT:

Identification of Catalog of Federal Domestic Assistance (CFDA) Titles and Numbers and the audit requirements for OMB Circular A-133 – Audits of States, Local Governments, and Non-Profit Organizations for the Local Workforce Investment Areas (LWIAs). Update on compliance requirements for American Recovery and Reinvestment Act of 2009 (ARRA) funding.

Purpose

To provide LWIAs with the updated Federal Agency, CFDA Title and Number for each of their federal awards, including ARRA funds, and to inform LWIAs about the compliance requirements per the guidance provided by OMB Circular A-133 and OMB Compliance supplement Addendum #1(dated June 30, 2009).

This Technical Advisory supersedes the previous CFDA Technical Advisory: TA#09-1, dated January 5, 2009.

Background

OMB Circular A-133 and the audit regulations at 29 CFR 99.400 (d) (1) describe the responsibilities of the New York State Department of Labor (NYSDOL), as the pass-through entity, regarding single audit requirements for their subrecipients, the LWIAs. One of the responsibilities of the pass-through entity, when making federal awards, is to inform each subrecipient (LWIA) of the name of the federal agency, CFDA title and number so that the subrecipient can properly prepare the Schedule of Expenditure of Federal Award (SEFA) for their audits. This schedule should list the amounts of Federal funds “expended” by the organization during the fiscal year, individually by the CFDA numbers. To prepare the SEFA, list the individual federal programs by federal agency. For federal programs included in a cluster of programs (WIA), list individual federal programs within a cluster of programs.

A cluster of programs is a grouping of closely related programs that have similar compliance requirements. Although the programs within a cluster are administered as separate programs with different CFDA numbers, a cluster of programs is treated as a single program for the purpose of

meeting the audit requirements of OMB Circular A-133, Section 105. The WIA Adult program, WIA Youth program and WIA Dislocated Worker program are parts of the WIA cluster. Consistent with OMB Circular A-133 Section 400(d) (1) and Section 400(d)(2), a state shall identify the federal awards included in the cluster and advise the subrecipients of compliance requirements applicable to the cluster.

In accordance with OMB Circular A-133, section 400(d), a pass-through entity is also responsible for ensuring that subrecipients expending \$500,000 or more in federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133. In accordance with OMB Circular A-133, section 520(b) and (c): The auditor shall identify the larger federal programs with federal awards expended during the audit period based on specific calculations as described in Section 520(b)(1). The auditor shall identify type A programs which are low risk. For a type A program to be considered low risk, it shall have been audited as a major program in at least one of the two most recent audit periods, and in the most recent audit period, it shall have had no audit findings.

NYSDOL, as the pass-through entity, is responsible to review Single Audit Reports to determine if there are any findings that relate to the federal programs they administer and determine compliance with the nine-month due date requirement.

OMB compliance supplement Addendum # 1, published on June 30, 2009, provides additional guidance on compliance requirements for programs (including clusters of programs) with expenditures of ARRA awards. NYSDOL, as the Prime Recipient of ARRA awards, is responsible to separately identify to each subrecipient, and document at the time of the sub award and disbursement of funds, the federal award number, CFDA number, and the amount of ARRA funds. NYSDOL is required to inform their subrecipients (LWIAs) that they must provide similar identification in their SEFA and Data Collection Form SF-SAC. Separate identification and accounting, supported by accounting records, for distinguishing ARRA awards from non- ARRA awards must be maintained.

The Federal award number for the ARRA funds is AA-17139-08-55-A-36.

In accordance with OMB compliance supplement Addendum #1 (Section: subrecipient monitoring), NYSDOL, as a pass-through entity, is responsible for identifying to first-tier subrecipients (LWIAs) the requirement to register in the Central Contractor Registration (CCR), including obtaining a DUNS number, and to maintain the currency of that information (section 1512(h)).

Section 1605 of ARRA prohibits the use of ARRA funds for a project for the construction, alteration, maintenance, or repair of a public building or work unless all of the iron, steel and manufactured goods used in the project are produced in the United States. ARRA provides for a waiver of these requirements under specified circumstances. A Buy-American award term is required in all awards for construction, alteration, maintenance, or repair of a public building or public work (2 CFR Section 176.140). Accordingly, an auditor will determine whether an award using ARRA funding includes a Buy-American award term and, if so, whether the recipient is complying with the Buy-American provisions of ARRA or if any waivers have been granted. The auditor shall select a sample of ARRA-funded procurements, if any, for activities subject to Section 1605 of ARRA and

- a. Test whether the non-federal entities requested and received any exceptions to Buy-American requirements;
- b. Test the sample of procurements to ascertain if entities are otherwise in compliance with the ARRA requirements.

ARRA has established a cross-cutting unallowable activity for all ARRA-funded awards. Pursuant to Section 1604 of ARRA, none of the funds appropriated or otherwise made available in ARRA may be used by any state or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

Action

CFDA number and title identifying each grant separately will be included on the Notice of Obligational Authority (NOA) for pass through awards to the LWIAs who, in turn, must ensure that lower tier subrecipients are aware of this requirement.

The List of Federal Awards that NYSDOL provides as a pass-through entity has been provided in the attachment to this technical advisory. For each award, the list includes federal agency, CFDA title and number. In accordance with Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and OMB compliance supplement addendum for ARRA funds, this information is required on the SEFA. LWIAs should retain this listing for future reference. This list will be updated periodically to include new programs and delete the old programs.

Since WIA administration and WIA Statewide Activities are funded from WIA Adult, Dislocated Worker & Youth funds, these funds must be reported on the SEFA, on a pro-rated basis against WIA funding: Adult, Dislocated Worker and Youth, using the respective CFDA numbers.

NYSDOL will review subrecipients' Single Audit reports for the federal awards for compliance with OMB Circular A-133 and OMB compliance supplement addendum. Specifically, a review of Type A program audit coverage will be performed to ensure that all identified Type A programs have been audited as a major program in at least one of the three most recent audit periods and that program clusters have been properly treated. Single Audit reports which do not meet the requirements will be rejected and subrecipients will be notified to have the report deficiency corrected and to submit revised reports.

NYSDOL will review and make sure that subrecipients have current CCR registrations prior to making sub awards and will perform periodic checks to ensure that subrecipients are updating information, as necessary. Subrecipients that do not have a current CCR registration or current information in the CCR database will be notified by NYSDOL to make appropriate corrections in the CCR database.

Inquiries

Please direct all inquiries regarding this technical advisory to:

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Attachments

Schedule of CFDA Numbers

SCHEDULE OF CFDA NUMBERS

Federal Agency	CFDA Title	CFDA Number
LABOR	Trade Adjustment Assistance Workers	17.245
	WIA Adult Program	17.258
	WIA Youth Activities	17.259
	WIA Dislocated Workers	17.260
	WIA Local Administration	17.258 17.259 17.260
	WIA Statewide Activities Supplemental Funds	17.258 17.259 17.260
	WIA Statewide Activities Incentive Grant	17.258 17.259 17.260
	WIA Statewide Activities Gas Card Initiative	17.258 17.259 17.260
	WIA Statewide Activities Transportation Assistance	17.258 17.259 17.260
	WIA Statewide Activities Technology Purchase	17.258 17.259 17.260
	WIA Statewide Activities Funds – E-Learning	17.258 17.259 17.260
	WIA Statewide Activities Funds – ITA Pilot	17.258 17.259
	WIA Statewide Rapid Response Supplemental Funds	17.260
	Rapid Response Discretionary Dislocated Worker	17.260
	Statewide Rapid Response – TAA Staff	17.260

Services	
Statewide Rapid Response – TAA Training Related Services	17.260
Workforce Innovation in Regional Economic Development Initiative (WIRED)	17.268
Work Incentives Grant (DPN)	17.266
ARRA Adult Program	17.258
ARRA Youth Program	17.259
ARRA Dislocated Worker	17.260