



DEPARTMENT OF
CAREER SERVICES

Workforce Issuance

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☒ **Policy** ☐ **Information**

To: Chief Elected Officials
MassHire Workforce Board Chairs
MassHire Workforce Board Directors
MassHire Career Center Directors
MassHire Fiscal Officers
MDCS Operations Managers

cc: WIOA State Partners

From: Alice Sweeney, Director
MassHire Department of Career Services

Date: April 8, 2022

Subject: **American Rescue Plan Act (ARPA) Subrecipient Financial Risk Assessment**

Purpose: To notify MassHire Workforce Boards, MassHire Career Center Operators and other workforce investment partners (e.g. Commonwealth Corporation) of guidance and required compliance pertaining to the American Rescue Plan Act (ARPA).

Background: The American Rescue Plan Act (ARPA) of 2021, also called the COVID-19 Stimulus Package or American Rescue Plan (ARP), Pub L. No. 117-2 (March 11, 2021), is a US\$1.9 trillion economic stimulus bill passed by the 117th United States Congress and signed into law by President Joe Biden on March 11, 2021, to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession.

Policy: To measure administrative effectiveness and to ensure compliance with the objectives of the Act and regulations, MDCS, as the designated State Workforce Agency (SWA), the administrative entity for ARPA, conducts a review of subrecipient administrative systems, resulting in a determination of whether the requirements are met. In the event of a recipient or sub-recipient's failure to

meet the requirements, MDCS is required to take prompt corrective action and impose sanctions.

MDCS is responsible to monitor and certify operations annually in order to assess ARPA regulatory compliance. In advance of receipt of ARPA funds, MDCS conducts an initial, Financial Risk Assessment of ARPA operational readiness based upon the administering entity's self-attestation and documentary responses during the most recent monitoring review and provision of the most recent independent auditor compliance report. Beginning in FY23, as operational data becomes available, MDCS will conduct the first ARPA biennial systems certification, which will be combined with and supported by an annual MDCS monitoring of ARPA operations.

MDCS will perform the following:

1. Conduct a Financial Risk Assessment review prior to release of ARPA funds to all subrecipients. Upon review and approval of pertinent information, funds will be assigned.
2. Following initiation of full operation of ARPA-funded activities, and the establishment of corresponding operating systems, MDCS will conduct a full program and financial systems certification monitoring. This will occur no later than the second quarter following release of funds or second quarter of program operation.
3. All ARPA-funded entities will thereafter be included in the annual WIOA monitoring cycle throughout the duration of the ARPA activities.

The following required administrative systems will be reviewed for certification:

- **FISCAL SYSTEMS** 1. Accounting Systems and Reporting 2. Cash and Grant Management 3. Cost Allocation Plan and Cost Classification Methodology 4. Audit 5. Property/Inventory Log 6. Procurement and Contracting 7. Fiscal Policy and Procedures 8. Personnel Policies and Procedures 9. Fiscal Monitoring
- **PROGRAM SYSTEMS** 1. Eligibility System 2. Management Information Systems. 2. Program Policies and Procedures. 3. Program Monitoring Systems

Action

Required: Please assure that all appropriate staff persons are knowledgeable of the content of this Policy Issuance.

Effective: Immediately.

Inquiries: Please direct all inquiries to PolicyQA@detma.org. Also, indicate Issuance number and description.

Attachment: ARPA Department of Treasury Fact Sheet