

**PEE DEE LWIA INSTRUCTION NUMBER:** WIA-10-001

**TO:** Pee Dee Local Workforce Investment Area Grantees

**SUBJECT:** Sanctions Policy

**ISSUANCE DATE:** August 5, 2010

**EFFECTIVE DATE:** July 1, 2010

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**Purpose:** The purpose of this instruction is to transmit the Pee Dee Local Workforce Investment Area's revised sanctions policy. Effective July 1, 2010, this instruction supersedes Instruction #03-001 regarding this matter.

**Background:** Effective July 1, 2003, the Pee Dee LWIA issued Instruction #WIA-03-001, detailing the Pee Dee Workforce Investment Area's rewards and sanctions policy. This policy was largely based on the State of South Carolina's sanctions policy and, with a few adjustments, was adopted as the policy for rewards and sanctions in the local area.

Since that time, the seventeen performance standards required under Workforce Investment Act legislation have been replaced by common measures of performance which apply to all federally-funded employment and training programs. Furthermore, the LWIA has re-evaluated the terms of the previous sanctions policy and concluded that it does not lend itself to the prompt implementation of continuous improvement plans.

This policy outlines procedures for implementing sanctions, when there is continued noncompliance with the terms of the contract or other Workforce Investment Area requirements. It applies to all programs funded by the Pee Dee LWIA, unless, at the time of implementation, a particular program is specifically mentioned as being excluded from this policy.

**Policy:** The reasons for which sanctions may be imposed are included as Attachment A of this instruction letter.

The Pee Dee Workforce Investment Area will ensure that the following conditions have been met before sanctions are imposed:

1. A written and signed contract agreement with clear goals and funding obligations is in force.
2. Appropriate monitoring has been conducted.

3. Appropriate corrective action has been recommended.
4. Technical assistance has been provided to correct violations, inadequacies, or deficiencies
5. Follow-up has established lack of satisfaction and continuation of non-compliance.

When the above conditions have been met and the Workforce Investment Board (or its designated committee) determines that the response and/or corrective action are inadequate or the deficiency or violation continues, **sanctions will be imposed**. The severity of the non-compliance will be considered when imposing a sanction. Willful non-compliance or possible criminal violation of the Act or Regulations, **will invoke immediate sanctions**.

The LWIA reserve the right to recommend the following actions be taken for any grantee who fails to meet performance goals or fulfill the administrative, programmatic, and/or fiscal requirements relative to programs for which the Pee Dee Workforce Investment Board has oversight:

1. Delay of payments/reimbursements until the violation or deficiency is corrected.
2. Disallow payments/reimbursements associated with a particular violation.
3. Require 100% review of source documentation prior to releasing funds requested on the grantee's request(s) for reimbursement.
4. Reduction in funding.
5. Require the enrollment of participants in under-enrolled target groups only, until the contract is in compliance with stipulated target group goals.
6. Halt further enrollments until performance of currently active participants improves.
7. Require the LWIA's prior approval of enrollment decisions
8. Require periodic documentation of internal monitoring by the grantee until areas of deficiency improve
9. Repayment of disallowed costs.
10. Revocation of part of the grant agreement.
11. Withhold incentive awards earned by the LWIA for successful performance
12. Cancellation of the contract in accordance with grant terms and conditions for cause or convenience.
13. Debarment of a service provider from receipt of future federal funding of a minimum of two (2) years.
14. Other actions deemed to appropriately address an area of deficiency

The LWIA may elect to choose one of the above actions or a combination of several actions depending on the severity of the performance, program, administrative, or financial issue.

For the ***first year*** a grantee is cited as not meeting performance standards or not fulfilling programmatic, administrative, or financial requirements, a corrective action plan will be required. The corrective action plan must identify factors contributing to the deficiency, address the strategies the grantee will use to improve, and identify and request the technical assistance needed to effectively implement the corrective action plan.

After the first year a grantee is cited as not meeting performance standards, the grantee's performance will be re-evaluated at the end of six months. If the grantee continues not to meet

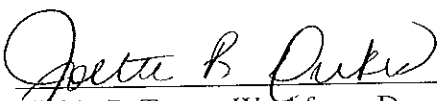
the performance standards or is not fulfilling programmatic, administrative, or financial requirements, the grantee's failure to correct its deficiencies will be presented to the WIB Oversight Committee or Youth Council with LWIA staff recommendation that the grantee be sanctioned in accordance with this sanction policy. The sanction will remain in effect until the grantee demonstrates adequate improvement in areas of concern or the WIB elects to discontinue its relationship with the grantee.

A grantee that has been sanctioned in accordance with the LWIA's policy will again be reviewed at the end of six months to determine if noted deficiencies leading to the sanction have been corrected. If the deficiency has not been corrected, the grantee's failure to correct its deficiency will be presented to the WIB Oversight Committee or Youth Council to determine if the grantee's relationship with the WIB should be terminated.

A grantee may appeal the decision of the WIB or its designated committee only if the grant is canceled or funding is reduced. The appeal will be made in writing and received by the Executive Committee within ten (10) days of the notification from the WIB or its designated committee. The Executive Committee will hear the appeal and render a decision within thirty (30) days of the hearing. The Executive Committee's decision will be final.

**Action Required:** All grantees must comply with the requirements of this instruction. Grantees are encouraged to disseminate the sanctions policy to all staff involved with implementation of the goals of the Workforce Investment Act.

**Inquiries:** Questions regarding this instruction should be directed to Joette Dukes at (843) 669-3138 or [j-dukes@sc.rr.com](mailto:j-dukes@sc.rr.com).

  
for Wickie P. Tyner, Workforce Development Director

## **Attachment A REASONS FOR SANCTIONS**

A Pee Dee Workforce Investment Area grantee may be sanctioned for reasons included, but not limited to, the reasons outlined in the following sections:

### *Performance*

- ❖ Grantee's failure to achieve performance goals specified in their grant agreements.

### *Administrative*

- ❖ Failure to comply with policies and procedures as stated in the Act, Regulations, state and local laws, local workforce investment area policies and procedures, Virtual One Stop procedures, and grant terms and conditions.
- ❖ Failure to meet programmatic and/or financial contract or agreement requirements.
- ❖ Failure to correct deficiencies cited in monitoring reviews by local workforce investment area staff, the state administrative and internal audit departments, federal monitors, and/or auditors. This includes failure to respond to monitoring reports by the established deadline.
- ❖ Failure to maintain adequate supporting documentation for grant programmatic and/or financial activities.
- ❖ Failure to submit required reports, forms, and documents, as scheduled or in the time limits established.
- ❖ Failure to maintain accurate records on participants/registrants.

### *Fiscal*

- ❖ Failure to operate within contract budget limitations.
- ❖ Unreasonable delays in invoicing/and or meeting bonding, auditing, or closeout requirements.
- ❖ Noncompliance with the contract budget spending plan and not requesting a budget modification to correct the spending plan.
- ❖ Incurring costs outside the time period of the grant agreement.
- ❖ Charging costs which are prohibited by the Act and Regulations, or costs not included in the grant budget, to a grant. This includes costs for unallowable activities, such as political, sectarian, or union activities.
- ❖ Failure to obtain and document matching funds when matching funds are required by the terms of the grant agreement.
- ❖ Failure to provide required documentation with an invoice.
- ❖ Expenditure of WIA/ARRA/TAA funds for activities that are not chargeable to those grants.

### *Programmatic*

- ❖ Target group enrollments are below the levels required by the grant agreement.

- ❖ Failure to observe time limitations/requirements on training activities and individual participation
- ❖ Failure to meet customer service expectations as evidenced by customer service surveys, secret shopper activities, and/or participant complaints received by the LWIA