



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
LANSING

STEVEN H. HILFINGER
DIRECTOR

OFFICIAL

E-mailed: 04/08/11 (tk)

Bureau of Workforce Transformation (BWT)
Policy Issuance (PI): 07-21 Change 1

Date: April 7, 2011

To: Michigan Works! Agency (MWA) Directors

From: Liza Estlund Olson, Director, Bureau of Workforce Transformation
SIGNED

Subject: MWA Internal Controls Procedures and Processes for Temporary Assistance for Needy Families (TANF) Work Participation Activities

Programs Affected: Jobs, Education, and Training (JET) Program

Rescissions: None

References: Reauthorization of the TANF Program; Interim Final Rule, 45 CFR Parts 261, et al., Thursday, June 29, 2006, Vol. 71, No. 125

BWT PI 06-11 and Changes, regarding TANF Allowable Activities

BWT PI 06-34 and Changes, regarding Case Management of TANF Activities

Background: The June 2006, Federal Interim TANF regulations require that states have “Internal Controls” procedures to validate the measurement of TANF work participation activities.

This policy change updates the contact information for the Michigan Department of Energy, Labor & Economic Growth, Bureau of Workforce Transformation (DELEG/BWT) and adds instructions for MWAs who choose to submit Internal Controls results via email. It also clarifies the procedural expectations and adds a Documentation Checklist as an optional resource for Internal Controls reviewers to use.

Enabling workers to acquire the skills necessary to succeed in today’s 21st Century knowledge-based economy is central to Michigan’s strategy for economic transformation and is the foundation for the Governor’s No Worker

DELEG is an equal opportunity employer/program.
Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

BUREAU OF WORKFORCE TRANSFORMATION
VICTOR OFFICE CENTER • 201 N. WASHINGTON SQUARE, 5TH FLOOR • LANSING, MICHIGAN 48913
www.michigan.gov/dleg • (517) 335-5858 • TTY 1-888-605-6722

Left Behind (NWLB) initiative. The NWLB initiative aligns all federal workforce dollars used for worker training into a unified workforce development strategy

Policy:

This policy requires an MWA-level Internal Controls Case Review Process for TANF work participation activities. **Case-file reviews done for Internal Controls are separate and distinct from the monthly TANF Data Verification process.**

Every quarter, the DELEG/BWT generates a random sample of cases for file review. DELEG/BWT calculates the average monthly number of participants statewide and samples 0.43 percent of the cases at each MWA. To account for smaller MWAs, a minimum of three cases will be evaluated at each MWA.

After determining the sample, the DELEG/BWT notifies the MWAs of the participant files to review. The MWAs may designate staff to conduct the reviews at either the administrative or contracted service-provider levels. Case managers may not conduct the review for cases to which they are the assigned case manager.

Designated reviewers must select a period of four consecutive weeks to review for each participant. For the selected four week period, the designee must review the documentation in participant files to ensure that the files contain adequate and accurate documentation of the participant's activities and that participation is correctly entered into the One-Stop Management Information System. Any case file reviews done involving education and training activity assignments must be carefully scrutinized for alignment with and conformity to the NWLB initiative. In addition to BWT PI 06-34 and its changes, reviewers may choose to use the attached Documentation Checklist as a resource for determining the required documentation.

The designated staff must complete the attached TANF Internal Controls File Review Form for each selected participant file. The MWAs are to maintain a copy of the TANF Internal Controls File Review Form, as well as a copy of all of the documentation used in the Internal Controls review in a manner that is organized and readily accessible upon request.

Following the completion of the file reviews, the MWAs are to prepare the attached TANF Internal Controls File Review Summary Report and submit it to the DELEG/BWT within ten business days of the conclusion of the assigned quarter.

Corrective Action

The MWAs are expected to have an error rate lower than 25 percent, meaning fewer than 25 percent of files contain errors due to inadequate or improper documentation. When an MWA has fewer than 8 files in their sample, it is expected that no more than 2 files contain documentation errors.

The MWAs must take appropriate actions to correct all errors in sampled files. The MWAs must also describe the corrective action taken to address the current file errors and how similar errors will be prevented in the future. When necessary, the BWT and/or the Department of Human Services will provide supplementary instruction and technical assistance to ensure that the most serious documentation deficiencies are addressed and corrected.

Action: MWAs shall take the appropriate actions necessary to implement the directives of this policy. MWA officials shall ensure the information contained in this policy is disseminated to all appropriate staff.

MWAs shall submit the required quarterly file summary reports to:

Mr. Brian Marcotte, Manager
Michigan Department of Energy, Labor & Economic Growth
Bureau of Workforce Transformation
Victor Office Center
201 North Washington Square, Fifth Floor
Lansing, Michigan 48913

Alternately, reports may be sent via email. These must be addressed to both Mr. Brian Marcotte and Ms. Mariam DeLand marcotteb1@michigan.gov and delandm1@michigan.gov

Inquiries: Questions regarding this policy should be directed to Ms. Mariam DeLand at (517) 241-5643 or delandm1@michigan.gov.

The information contained in this policy will be made available in alternative format (large type, audio tape, etc.) upon request to this office.

Expiration

Date: Continuing

LEO:MD:dm
Attachments

TANF Internal Controls File Review Form

4 Week Review Period _____

Participant Name/ID Number _____

The following MIS Screens Were Reviewed:

List the types of documentation used to verify hours of participation:

_____ Activities Screen

1. _____

_____ Case Notes

2. _____

_____ Participant History

3. _____

4. _____

5. _____

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
Dates	MIS Code Actual Hours	Verified Weekly Actual Hours						
Week 1								
Week 2								
Week 3								
Week 4								

*Comments/Corrective Action Taken

Reviewer Name: _____

Signature/Date: _____



Documentation Checklist (updated 3/18/11)

REMEMBER: *This form is a checklist of documentation requirements to be used in conjunction with BWT policy issuances (PIs), specifically PIs 06-34 and 06-11 and their changes. It is not a stand-alone document and should not be used in lieu of applicable policy issuances.*

PAID WORK ACTIVITIES

Unsubsidized Employment (excluding self-employment), Subsidized Employment, and On-the-Job Training

- Case file contains a pay stub, written wage statement from employer, or third party verification, such as "TALX," which includes:
 - Participant's name
 - Participant's actual hours of participation
 - Name of the employer or supervisor
 - Name and number of the individual providing the documentation *if wage statement or third party verification is used*

-OR, if the above documentation cannot be obtained, the case file contains documentation of a phone contact with the employer which includes:

- Participant's name
- Participant's actual hours of participation
- Name of the employer or supervisor
- Name and contact information of the individual providing the information
- Time and date of the call
- Name and contact information of the MWA staff making the phone call

-And If Hours Are Projected:

- Case file contains documentation of two consecutive pay periods which meets the requirements listed above

Self-Employment

- Case file contains documentation of the participant's monthly net sales based on personal checks, business receipts, invoices, or accounting records
- The following formulas were used to determine self-employment hours:

Monthly net business sales (gross revenues - expenses) divided by the federal minimum wage = Monthly Actual Hours.

Monthly Actual Hours divided by number of weeks in month = average Weekly Actual Hours.

-And If Hours Are Projected:

- Case file contains documentation of tax or income records for one month, which meet the requirements listed above
- Employment re-verified at 90 days, if applicable

ATTACHMENT 2

Employment re-verified at 180 days, if applicable

UNPAID WORK ACTIVITIES

Job Search/Job Readiness

Conducted at the Service Center

- Documented at least every two weeks
- Case file contains an activity log or sign in/out sheet which includes:
 - Participant's name and signature
 - Actual Hours** and dates of participation
 - Name, signature, and contact information of the MWA staff overseeing the activity

Conducted Outside the Service Center

- Documented at least every two weeks
- Case file contains a daily timesheet or activity log which includes:
 - Participant's name and signature
 - Name & location of the employer visited or contacted via phone, fax, or internet
 - Name and contact information of the individual who received the employment application or who handled the job search contact. If contact was made via internet, provide the website address
 - Name, signature, and contact information of the MWA staff overseeing the activity
 - Actual time spent** engaged in making contacts

Work Experience Program and Community Service Program (CSP)

Documented at least every two weeks

- Case file contains a timesheet, activity log, or attendance report which includes:
 - Participant's name
 - Actual hours and dates of participation
 - Name of the work site supervisor
 - Name, signature, and contact information of the individual verifying the information

Providing Childcare Services to an Individual Who is Participating in a CSP

- Documented at least every two weeks
- Case file contains a timesheet which includes:
 - Participant's name
 - Actual hours of participation
 - Name & signature of the participant who is doing the CSP
 - Name, signature, and contact information of the MWA staff overseeing the activity

Vocational Educational Training, Job Skills Training Directly Related to Employment, Education Directly Related to Employment, and Satisfactory Attendance at a Secondary School or in a Course of Study Leading to a Certificate of General Equivalence

Performed at an Educational Institution:

- Documented at least every two weeks
- Case file contains an attendance record, timesheet, or sign in/out sheet which includes:
 - Participant's name
 - Actual hours and dates of participation
 - Name of educational provider
 - Name, signature, and contact information of the individual verifying the information

Performed Through Distance Learning:

- Documented at least every two weeks
- Case file contains documentation from the educational institution explaining how hours of participation are monitored
 - Case file contains a written statement from the MWA approving the method for monitoring hours
- Case file contains documentation from the institution stating the total hours that are required or advised for completion of the program
 - Total hours entered do not exceed the hours required or advised by the institution
- Case file contains a timesheet, sign in/out sheet, or computer log in/log out which includes:
 - Participant's name
 - Actual hours and dates of participation
 - Name of educational provider or other service provider
 - Name, signature, and contact information of the individual verifying the information

Study Time

Supervised Study Time:

- Documented at least every two weeks
- Case file contains documentation of the educational institution's homework/study time expectations
- Total** study time hours entered (supervised plus unsupervised) do not exceed the homework/study time expectations of the educational institution
- Case file contains a time sheet or sign in/out sheet which includes:
 - Participant's name
 - Actual hours and dates of participation
 - Name of educational provider or other service provider
 - Name, signature, and contact information of the individual verifying the information

Unsupervised Study Time:

- Documented at least every two weeks
- Case file contains documentation of the educational institution's homework/study time expectations
- Hours entered do not exceed the actual time spent in classroom aka "seat time"
- Total** study time hours entered (supervised plus unsupervised) do not exceed the homework/study time expectations of the educational institution

Excused Absences

- Case file contains documentation which includes:
 - Date of the absence
 - Reason for the absence
 - Approval or denial of excused absence
 - Case manager initials or signature
 - Date of determination