



# Mississippi Valley Workforce Development Board

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## Contract Management and Authorization Policy

**Approved Date:** July 11, 2023

**Effective Date:** July 11, 2023

**Amended Date:**

### PURPOSE

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The purpose of this policy is to satisfy the requirements of the Mississippi Valley Workforce Development Board (MVWDB) as the local grant recipient for the Mississippi Valley Workforce Area (MVWA) as designated by the Chief Elected Officials (CEOs) for Workforce Innovation and Opportunity Act ((WIOA) funds. This policy is intended to supplement, but not replace any applicable state or federal laws.

### BACKGROUND

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The CEOs have the ultimate legal authority and liability over fiscal matters involving WIOA funds but have granted MVWDB as the local grant recipient, giving MVWDB the authority for awarding, withdrawing from, or assigning contracts. The following decision-making matrix has been approved by the CEOs and MVWDB.

### POLICY

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#### Decision Making/Signature Authority

- The Executive Director will have the authority to enter into contracts on behalf of the MVWDB as the local grant recipient when contracts are approved by the MVWDB or designated committee, or other documents authorized in the annual operating budget, or to receive funds as outlined in Appendix A.
- The Executive Director will have the authority to serve as the signatory to approve expenditures and expend funds after the annual budget has been set by the MVWDB. Admin expenditures over the amount of \$2,000 will require prior written approval from the board chair that was not previously outlined in the annual operating budget.
- The Executive Director will have the authority to apply for funding and grants that do not have matching requirements without prior MVWDB approval.
- An authorized individual will not enter into any agreement with respect to MVWDB with any association, partnership, or company in which the individual has a financial interest without the prior written approval of the MVWDB.

### CONTRACT MANAGEMENT

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## **Timely Contract Execution/Use of Pre-Agreement Letters**

As a standard operating procedure, subgrant funds are to be obligated and disbursed in accordance with a fully executed contract and/or subcontract. When the risks associated with having a fully executed contract are outweighed by the need to provide services, the use of a pre-agreement letter/letter of intent should be used to clarify expectations and/or provide estimated funding levels until a fully executed contract or contract modification/extension is finalized. Such costs are allowable only to the extent that they will be incurred after the beginning of the contract or extension period. The letter should be executed by the MVWDB before the program start date. At a minimum, the letter should contain the following information:

- A general description of the service to be provided.
- The estimated line-item budget for the project.
- The period of the proposed contract.
- A statement indicating that a fully executed contract or contract modification will be in place within a specified period, e.g., 60 days.
- Names, titles, and signatures of the individuals for both entities planning to enter the proposed contract or contract modification and agreeing to terms outlined regarding negotiated contract costs.

## **Contract Administration and Records**

The MVWDB must maintain a system for contract administration to ensure that service providers and other contractors comply with the terms, conditions, and applicable performance requirements of contracts. The MVWDB must maintain a file on each executed contract sufficient to document the record of the contract, performance against the contract, and payments made.

## **Contract Renewal Process**

Under WIOA Requests for Proposals (RFPs) must be completed every four (4) years for service provider contracts. Awards are normally made for one (1) year with three (3) possible one-year extensions. The executive committee will review contract extensions at the annual April meeting. The following list comprises various considerations before authorizing a contract renewal or extension:

- Request feedback on the provider's intent to continue the contract.
- Review the terms and conditions of the contract to ensure compliance.
- Conduct a spending analysis to determine the prior year's budgeted versus actual amounts.
- Present vendor with a list of concerns, which need to be resolved to see renewal (if applicable)
- Review common measures and achievement of deliverables.
- Review state and local monitoring reports.

*Equal Opportunity Programs/Employer Auxiliary aids and services  
are available upon request for individuals with disabilities.*

Appendix A - Local Grant Recipient – WIOA or OL Funding

Disbursement of Funds	Full MVWDB	MVWDB Executive Committee	MVWDB Executive Director	CEOs
<b>Contracts from Iowa Workforce Development (IWD)</b>	Informed	Informed	Review/ Signatory	Informed
<b>Master contracts for Department of Labor (DOL) or WIOA service providers funded from WIOA annual program allocations</b>	Ratification of Exec. Com. Approval	Approval	Signatory	Approval
<b>All service provider contracts or modifications greater than \$250,001</b>	Ratification of Exec. Com. approval	Approval	Signatory	Informed
<b>All service provider contract modifications of \$25,001 to \$250,000</b>	Informed	Approval	Signatory	Informed
<b>All service provider contract modifications under \$25,000</b>	Informed	Informed	Approval/ Signatory	Informed
<b>Letters of intent for estimated funding allocations to service providers</b>	Informed	Informed	Approval/ Signatory	Informed
<b>Service provider contract extensions</b>	Informed	Approval	Signatory	Informed
<b>Service provider contract modifications per federal, state, or local policy changes</b>	Informed	Informed	Approval/ Signatory	Informed
<b>Agreements with contractors for projects identified in the annual budget</b>	Informed	Informed	Approval/ Signatory	Informed