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 GOVERNOR

**MAINE WORKFORCE INVESTMENT SYSTEM  
 POLICY & PROCEDURES**

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 COMMISSIONER

LEAD AGENCY	Bureau Employment Services
POLICY NUMBER	Policy 13-02
DATE EFFECTIVE	August 2, 2013
RESCINDS	Policy 05-01

**To:** Local Board Directors  
 Service Provider & Program Managers

**From:** Peter Pare, Director BES

**Subject:** High-Risk Grantee Status

**PURPOSE:** Identify reasons for high-risk grantee status designation and steps required by grantee to resume regular status.

**REFERENCES:**

- 29 CFR Part 95
- 29 CFR Part 97
- 2 CFR Part 215.62
- 20 CFR Part 652

**BACKGROUND:**

Under 29 CFR 97.12 a grantee or subgrantee may be considered high-risk if an awarding agency determines that a grantee or subgrantee:

- Has a history of unsatisfactory performance;
- Is not financially stable;
- Has a management system which does not meet the management standards set forth in this part;
- Has not conformed to terms and conditions of previous awards; or
- Is otherwise not responsible; and if the awarding agency determines that an award will be made, special conditions and/or restrictions corresponding to the high-risk designation shall be included in the award.

The awarding agency may include special conditions or restrictions to the grantee or subgrantee while in high-risk status. Special conditions or restrictions may include:

- Payment on a reimbursement basis;
- Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;
- Requiring additional, more detailed financial reports;
- Performing additional monitoring;
- Requiring the grantee or subgrantee to obtain technical or management assistance; or
- Establishing additional prior approvals.

If an awarding agency decides to impose such conditions, the awarding official will notify the grantee as early as possible, in writing, of:

1. The nature of the special conditions/restrictions;
2. The reason for imposing them;
3. The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions; and
4. The method of requesting reconsideration of the conditions/restrictions imposed.

Notification of High-Risk status is the first of a three step progressive disciplinary action that includes:

1. Designation as High-Risk Grantee
2. Suspension of Grant
3. Termination of Grant

**POLICY:**

The Maine Department of Labor, as State Workforce Agency (SWA), is responsible for establishing and issuing policy for assessing and designating high-risk status of subgrantees and local workforce investment boards and their fiscal agents.

The SWA will incorporate and follow the guidance of Title 29. Labor Subtitle A: Office of the Secretary of Labor, Part 97 – Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

Specifically, the department will use quarterly reports, audit reports, contract and fiscal compliance reviews and any other monitoring activities as a basis for determining high-risk status of grantees and subgrantees.

Grantees will be notified of high-risk status, as well as any associated special conditions, in writing through a **Notification of High-Risk Status** which will describe the nature of any conditions/restrictions being imposed, the reasons they are being imposed, corrective action steps that must be taken to resume regular grantee status, the time frame in which corrective action steps must be taken and method by which grantees can request reconsideration of status.

High-Risk status will remain in effect until the Maine Department of Labor has reviewed the completion of corrective action steps outlined, determined the corrective action steps have all been successfully completed and provided the High-Risk grantee with a letter confirming this.

Upon receipt of the letter confirming successful completion of the corrective action steps the High-Risk grantee may submit in writing a request to resume regular status. The letter should request that specific conditions and/or restrictions being imposed be lifted and should include any additional evidence or considerations supporting the request.

All contracts with grantees designated High-Risk will be amended to include the designation and subsequent requirements.

The Maine Department of Labor provides equal opportunity in employment and programs.

Auxiliary aids and services are available upon request to individuals with disabilities.

Local Workforce Investment Boards (LWIBs) are responsible for establishing and issuing policy to their subgrantees for special grant or subgrant conditions for high-risk grantees.

Failure to respond to the corrective action plan detailed in the Notification of High-Risk Status may result in suspension or termination of the grant.

**Please direct inquiries to:**

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