

# Oklahoma Employment Security Commission



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**Representing Employees**

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## Oklahoma Employment and Training Issuance # 05-2005

**TO:** Grant Recipients  
**FROM:** Director, Employment and Training  
**Date:** April 4, 2005  
**Subject:** High Risk Policy

**Purpose:** To disseminate High Risk policy to recipients of grants administered by the Employment and Training Division of the Oklahoma Employment Security Commission.

**Background:** Uniform Administrative Requirements for grants and cooperative agreements are outlined in 29 CFR Part 97 and 29 CFR 95. Authority given to awarding agencies is specified in 29 CFR 97.12 and 29 CFR 95.14. Grant agreements between Oklahoma Employment Security Commission and grant recipients stipulate that the grantee agrees to operate their program in accordance with appropriate uniform administrative requirements applicable to the type of entity receiving the funds. Applicants for grants from OESC may be subject to special grant or sub-grant conditions if they are identified as a "High Risk" according to 29 CFR 97.

**Message:** "High Risk" classification will be based upon performance as a current grant recipient. OESC shall apply the provisions in 29 CFR 97.12 for any and all entities to determine "High Risk" status. Entities classified "High Risk" shall be subject to provisions identified in Codes of Federal Regulations (CFR) and delineated herein.

### **Special grant or sub-grant conditions for "High Risk" grantees.**

- A current grantee or sub-grantee may be considered "high risk" if it:
  - Has a history of unsatisfactory performance, or
  - Is not financially stable, or
  - Has a management system which does not meet the management standards set forth in 29 CFR 95 or 29 CFR 97, or
  - 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 shall correspond to the high-risk condition and shall be included in the award.
- 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 and/or more detailed financial reports,
  - Additional project monitoring,
  - Requiring the grantee or sub-grantee 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 or sub-grantee as early as possible, in writing, of:
  - The nature of the special conditions/restrictions,
  - The reason(s) for imposing them,
  - The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions, and
  - The method of requesting reconsideration of the conditions/restrictions imposed.
  - Once the grantee has proven, for one entire program year, its ability to meet the expectations of the awarding agency, the grantee will no longer be considered “high risk”.

**Action Required:** This is official state policy, applicable to WIA and other grants awarded by OESC and administered by the Employment and Training Division. This policy also applies to sub-grants or contracts arising from grants awarded by OESC.

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