

SMART START WORKFORCE GRANTS



Smart Start Workforce Grant: GUIDE TO GRANT AUDITS

All eligible grant programs are audited at least once each grant year to make sure key program requirements are being met. INCCRRA audit staff conduct these audits, and the results are shared with the Illinois Department of Human Services.

If you need further information on how to successfully complete your Smart Start Workforce Grant reporting or what the reporting requirements are, refer to the [Smart Start Workforce Grants Reporting Guide](#) or the Smart Start Workforce Grants Guide to Reporting ([Centers](#)) ([Family Child Care](#)) resources.

What is Checked in an Audit?

INCCRRA will review and verify the information submitted from your **required documentation and reporting**. Accurately and completely submitting your reporting is key to a successful audit.

1 Classroom Enrollment	All Programs
2 Number of Grant Funded Classrooms	Centers <i>only</i>
3 Wage Floor & Classroom Staff	All Programs*

* Does not include Family Child Care programs who did not receive funds for an assistant.

Set Yourself Up for a Successful Audit!

Submit approved payroll or paystubs showing that staff were paid at or above the required wage floor during the entire funding-use period .	✓
Submit documentation and reporting by required deadlines that accurately reflects staff details and classroom enrollment.	✓
For Centers, provide accurately labeled and clearly defined facility site maps.	✓

Do NOT

Pay teachers, teacher assistants and family child care assistants below the required wage floor (in grant-funded classrooms).	✗
Pay staff using cash, gift cards, bonuses, or gifts.	✗
Request and receive funds for ineligible or nonexistent classrooms.	✗

The goal of an audit is to help every program achieve a clean finding.

Audits are not intended to be punitive. They are a tool to ensure grant funds are used correctly and to support programs in maintaining compliance with grant requirements.

What is an Audit Finding?

When programs fail to complete required Smart Start Workforce Grant reporting, or their reporting is missing documentation used to verify correct use of funds, this will result in an audit finding. Audit findings may also be issued if a program provides false information on its application or if the documentation submitted does not align with other reported details. All programs must meet all grant requirements and submit accurate, complete documentation to verify eligibility.

Clean	Your program has completed all required reporting. Documentation provided matches information submitted on the application and meets grant requirements.
Finding -	The audit team was unable to verify that all audit requirements were met. A member of the audit team has requested additional information from your program.
Info Requested	<i>(This could be related to your program's reporting details or documentation uploaded to the application. To provide proper requested documentation, follow the instructions provided in the email sent by the audit specialist. This will include a link where you will upload the requested documentation.)</i>
Back Pay Required	Audit team was unable to confirm all teachers, assistant teachers, or assistants were paid the required wage floor for the duration of the grant period or the documentation provided does not verify the requirement was met.
Return of Funds	Audit team was unable to confirm your program meets all grant criteria based on the documentation provided. If your program does not meet all grant criteria a return of funds will be requested. If teachers, teacher assistants, or assistants are not reported as receiving the required wage floor, or if payroll documentation does not verify that the wage floor was met, a return of funds can also be requested.

How do I provide the documentation being requested?

When a program is issued a "Finding" by an audit specialist, email communication is sent with an explanation of what information is required and how to mitigate the audit finding. In this email communication a specific link will be provided where programs can safely upload their files so the information goes directly back to the specialist requesting the information.

Mitigation Options for Audit Findings

If a finding is issued during an audit, programs will be given the opportunity to mitigate the issue by

- Providing additional or corrected documentation
- Issuing back pay to eligible staff when required
- Returning funds that were not used in accordance with grant guidelines or were provided based on false information

Taking timely action during the mitigation period can help resolve findings and move the program toward a clean audit outcome.

Consequences of Unresolved Findings

If a program is unable or unwilling to mitigate a finding through the options above:

- The program will be **ineligible for future Smart Start Workforce Grant funding**
- Unresolved findings **may impact eligibility for other state-funded programs**

Accurate documentation, timely reporting, and proper use of grant funds are critical. Addressing issues early and working collaboratively through mitigation helps protect current funding and supports future funding opportunities.

BE AUDIT-READY! PROVIDER CHECKLIST:

- 1. Track Key Information** - During the grant period keep a record of:
 - Staff & staff changes
 - Classroom enrollment
 - Proof of meeting the wage floor
 - Classrooms receiving grant-funds (*Centers only*)
- 2. Understand Approved Payroll/Paystub Documentation** - make sure you only use approved payroll and paystub documentation methods (avoiding cash payments). Accepted forms include:

Accepted Payment Methods	Proof of Payment for Reporting
Direct Deposit	Payroll reports of copies of employee paystubs
Payments made through an Accounting Service or Firm	Reports issued by an accountant
Check issued from a Business Account	Copies of cleared checks or bank statements confirming checks were cashed
Check issued from a Personal Account	Copies of cleared checks or bank statements confirming checks were cashed
Digital Payment Platforms such as Venmo, PayPal, Cash App or similar services.	Screenshots or downloaded images of payment transactions to the employee(s)

- 3. Stay Current on Payroll/Paystub Records** - Keep payroll records or pay stubs organized and up to date to make sure all Teachers and Assistant Teachers in grant-funded classrooms or assistants in Family/Family Group Child Care are paid at or above the required wage floor.
- 4. Review Helpful Resources:** Use tip sheets (such as [Smart Start Workforce Grants Reporting Guide](#) and [Proof of Meeting the Wage Floor](#)) to understand proper reporting procedures and use of funds.

Have more questions about use of funds, contact your local expert with questions. [Find your local expert here.](#)