

SECTION NINE

MONITORING THE PERFORMANCE OF FISCAL/EMPLOYER AGENT AND AGENCY WITH CHOICE ISOs

9.1 Overview

Once a county selects and contracts with an organization to provide Fiscal/Employer Agent or Agency with Choice ISO services, its job is not done. The county must develop and implement a system for determining whether the organization is *ready* to perform the ISO functions and if it is performing its functions in compliance with its contract with the county and that it is in compliance with federal, state and local rules and regulations. This monitoring function can be accomplished by a county developing and implementing ISO Readiness Review and ISO Mid-Year and Annual Performance Review policies and procedures.

9.2 Conducting an ISO Readiness Review

The purpose of an ISO Readiness Review is to determine if the ISO (i.e., Fiscal/Employer Agent or Agency with Choice ISO) has all the required resources, policies and procedures, and internal controls in place to perform all required ISO tasks in an accurate and timely manner reflects the philosophies of self-direction before the organization *goes live*. In addition, conducting an ISO Readiness Review allows the ISO to *operationalize* the required ISO tasks and work out any *bugs* in its systems. Finally, conducting an ISO Readiness Review allows the state to implement corrective measures to ensure that compliance with federal, state, and local programs; as well as employment tax and labor law requirements can be achieved by the ISO. An example of an ISO Readiness Review for a Vendor Fiscal/Employer Agent for the Maine Consumer-Directed Support Service Programs is included in Appendix AM.

It is recommended that counties conduct ISO Initial Readiness Reviews at least 30 days prior to the ISO *going live*.

9.3 Conducting an ISO Mid-Year and Annual Performance Reviews

Once an ISO is operational, the county should conduct at least one ISO Mid-Year Performance Review (during the first year of operation) and an ISO Annual Performance Review of the Vendor Fiscal/Employer Agent performance during each year of the ISO's contract. The objective of the ISO Mid-Year Performance Review is to determine how well the ISO is performing its ongoing tasks (i.e., preparing and disbursing payroll checks to workers). One objective of the ISO Annual Performance Review is to revisit how the

ISO is performing its ongoing tasks (e.g., payroll for a Vendor Fiscal/Employer Agent) and if it has corrected any issues raised during the Mid-Year Performance Review. The other is to see how well the ISO is performing its end-of-year tasks (i.e., final filings of IRS Form 941, refunding any over collection of FICA, filing IRS Form 940 and Forms W-2 and W-3 for a Vendor Fiscal/Employer Agent). A county could develop a Mid-Year/Annual Performance Review tool from the Readiness Review tool included in Appendix AM by modifying the questions from asking *is the Agent ready to perform each of the required tasks* to *how well did the Agent perform each of the required tasks*.