WIB
Workforce Investment Board
OF TULARE COUNTY
Driving Economic Success

A Business & Job Training Resource

Workforce Investment Board
Of Tulare County

FISCAL POLICY MANUAL

(Revised September 2019)

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APPROVED BY
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CHART OF ACCOUNTS
PROGRAM YEAR

I. GENERAL INFORMATION

The Workforce Investment Board of Tulare County (WIB), Chart of Accounts is based on the guidelines and requirements of the Workforce Innovation and Opportunity Act (WIOA) and Uniform Guidance (2 CFR Part 200) regarding the reporting of expenditures and revenues. A current copy of the chart of accounts is attached. Funding streams are identified utilizing unique unit numbers (i.e. 3000-pooled costs, 3701 series DW-Formula, etc.)

Expenditures and revenues are recorded using the Tulare County Local Government Financial System (AFIN) and internal financial reports. The methodologies and procedures in reporting costs have been developed in accordance with Generally Accepted Accounting Principles and regulations applicable to WIOA.

II. EXPENDITURES

Expenditures are reported by fund number (015 for WIB), agency, unit number, and object code in AFIN and are viewed in the General Ledger (GL).

The Fiscal Department assigns expenditures on payment vouchers. Program expenditures are approved by the Executive Director or Deputy Director prior to entry into the AFIN system. Standard Administrative expenditures are reviewed by the Fiscal Department for accuracy prior to entry into AFIN. The original invoice and the payment voucher are filed at the WIB Fiscal Department.

III. REVENUE

Like expenditures, revenues are reported in AFIN by fund, agency, unit number and revenue code. Unique revenue codes are utilized to designate the revenue source such as grant funding, interest earned, rent income and reimbursement of expenses (i.e. conference fees).

Cash Drawdown and Reconciliation Process

Cash is requested from the State of California (or Federal Government in the case of a direct grant from the Department of Labor) on a "just-in-time"–basis. WIOA funds are drawn according to the EDD Directive "CalJOBS Cash Request Handbook", WSD 15-05.

Reconciliation of expenditures to required cash drawdowns will include the following documents:

- Print screen(BBAL) of the cash required (from AFIN)
- Substantiation of Cash Draw
- Print out of CalJOBS Cash Draw Screen or Other Funding Source Equivalent

When a cash drawdown is required, a general ledger will be downloaded from the County of Tulare accounting system (AFIN), and expenditures will be isolated from the most recent cash drawdown by funding stream. This will be the substantiation for the cash request. Copies of all documentation related to the cash request will be maintained by the Fiscal Department.

The Fiscal Department reviews the request to ensure that there are no negative balances. The first in first out method for cash drawdown is used for each grant title. For example, after PY 15-16 grant funds are liquidated per each Title, cash is drawn against the PY 16-17 grant funds.

Reconciliation of Cash Draw Downs to Quarterly Expenditure Reports – On a quarterly basis the expenses and cash drawn are reconciled. A positive- negative transaction will be utilized to bring the cash draws and expenses into alignment. If Adult and DW funds are not accessible, a possibility at the beginning of the program year, as soon as they are available the reconciliation will be completed.

Accrued Expenditures

The WIB will follow the policy set forth in EDD's Quarterly and Monthly Financial Reporting Requirements (WSD 16-13). This policy states, "*Accrual Basis of Accounting*—The accounting basis wherein revenues and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period. If the Subrecipient and Subrecipient Contractor's records are not normally kept on the accrual basis of accounting, then the Subrecipient and Subrecipient Contractor must develop accrual information through analysis of documentation on hand. *Accrued Expenditures*—An expenditure for goods that have been received or services that have been provided but have not been paid for."

The WIB will utilize a two pronged approach.

For WIB In-House accruals:
A schedule will be developed using the reporting period year to date GL and the GL for the month following the end of the quarter. Salary accruals will be based on the number of working days in the quarter that are paid out in the following month. All other WIB accruals will be based on the GL from the month following the quarter, utilizing invoice dates relating to the reporting quarter but paid in the following month.

For Service Provider and One Stop Operator accruals: Ten days after the reporting quarter has ended, Service Providers and One Stop Operators will report (format attached) to WIB Fiscal department their accruals.

Total Accruals will be compiled by adding the WIB In House Accruals to the Subrecipients (OSO/SP) accruals and reported via the CalJOBS system. The accrued expenditures will be entered on the Summary of WIOA Expenditures Reports.

Cost Allocation Plan (CAP)
Fiscal Year 2020

I. GENERAL INFORMATION

Policy:
This cost allocation plan is based on the guidelines and requirements of the Workforce Innovation and Opportunity Act (WIOA) regarding the allocation and categorization of costs.

The plan describes the methods used to collect, analyze and distribute shared costs by the Workforce Investment Board of Tulare County (WIBTC). The methodologies and procedures described in the plan have been developed in accordance with Generally Accepted Accounting Principles, regulations applicable to WIOA, and Employment Development Department guidance

Applicability:
The cost allocation plan is applicable to all grants and contracts entered into WIBTC. The same guidelines and principles established by the WIOA are also applicable to subcontractor expenditures.

II. Statements of Support for Cost Allocation:

COWCAP:
The basis of Direct Costs for all units is appropriate to use to allocate the County Wide Cost Allocation Plan (COWCAP) due to the nature of these expenses. There is only one code in this allocation - 9334. This expense includes the indirect costs allocated to the WIBTC from the County of Tulare. Based on this information, it was determined these cost elements are best allocated via expenses from all units.

Administrative Costs:
The basis of Payroll Expense is appropriate to use to allocate administrative costs due to the nature of these expenses. Codes: 6001, 6003, 6004, 6005, 6011, 6012, 6014, 6026, 7007, 7010, 7059.

A detailed analysis/review of specific charges to these accounts for Fiscal Year 2019 was conducted. Based on this information, it was determined these cost elements are best allocated via payroll expenses. For example, the entire 6000 series relates to payroll charges. These charges are for staff that provides administrative functions (Executive Director, Deputy Director, Fiscal Staff, and Staff Services Analyst).

Payroll Related Costs:
The basis of Payroll Expense is appropriate to use to allocate payroll related costs due to the nature of these expenses. Codes: 7011, 9300, and 9310.
A detailed analysis/review of specific charges to these accounts for Fiscal Year 2019 was conducted. Based on this information, it was determined these cost elements are best allocated via payroll expenses. For example, 9300 I/F - Workers Compensation is directly

related to payroll expenses and benefits staff that perform duties related to all projects and programs of the WIBTC.

Non Direct Pool:
The basis of Payroll Expense is appropriate to use to allocate non direct costs due to the nature of these expenses. Codes: 7005, 7027, 7036, 7043, 7066, 7073, 7074, 7130, 9319, 9321, 9322, and 9323.

A detailed analysis/review of specific charges to these accounts for Fiscal Year 2019 was conducted. Based on this information, it was determined these cost elements are best allocated via payroll expenses. For example, 7043 Professional and Specialist services benefit all projects and programs of the WIBTC. Historically these expenses are consultants focused on best practice process development.

Facilities Costs:
The basis of Payroll Expense is appropriate to use to allocate facilities costs due to the nature of these expenses. It includes the codes: 7000, 9102, 9302, 9303, 9307, 9311, 9312, 9313, 9316, 9318, 9328, 9333, 9336, and 9337. Total cost will be pooled into a facilities cost center. Rent costs for buildings, code 7062, will be allocated on a "net rent" basis by calculating rent costs and decreasing these costs by rental income.

Administrative offices for the WIBTC moved into a separate facility as of October 1, 2010. These facility costs will be allocated using WIB staff salaries as a basis.

A detailed analysis/review of specific charges to these accounts for Fiscal Year 2019 was conducted. Based on the move of WIBTC staff to a separate facility, it was determined cost element charges from 10/1/10 forward are best allocated via staff time worked.

Indirect Program Salary Costs:

In consideration of the program staff time that cannot be allocated directly to any funding stream, Unit 3002 has been added and designed for staff use when it is not feasible to directly charge their time. An example would be conferences that benefit all funding streams.

III. Basis of Allocations

Direct expenditures:
These reported expenditures will be developed by pulling cumulative costs for the fiscal year-to-date via the AFIN GL reports. An analysis (pivot table) will be completed incorporating all direct expenditures (non-pooled costs). A review of the total will be used as a "check" number to ensure all expenditures are included in the analysis.

Staff Salaries:
This basis will be developed using actual Payroll Expenses directly charged by WIBTC staff to the cumulative GL. An analysis (pivot table) will be compiled summarizing total of expenses charged to each funding source. The resulting ratios (percentages) will be considered the basis of allocation.

IV. Cost Center and Allocation Basis

As of 07/01/2019 the cost center and allocation basis are listed below:

Cost Center	Basis
COWCAP Cost Center	Direct Expenditures
Administrative Cost Center	Staff Time Worked
Payroll Related Cost Center	Staff Time Worked
Indirect Program Salary Cost Center	Staff Time Worked
Non Direct Cost Center	Staff Time Worked
Facilities	Staff Time Worked

Review of Service Provider/One Stop Operator Cash Advances

The One-Stop Operator/Service Provider shall limit cash advances to a "just-in-time" basis. They may also utilize the "cost reimbursement" basis of payment. The OSO/SP may submit reimbursement invoices monthly, bi-monthly, or weekly. Invoices submitted monthly shall be submitted within ten (10) days of the month end along with the monthly financial reports, or as agreed upon by both the WIB and the OSO/SP

WIB fiscal staff shall review the Service Provider/One Stop Operator invoice to ensure the cash request is within contract guidelines

If reasonable assurances have been met via the analysis, Fiscal Staff will approve the invoice and initiate the payment process.

Program Income – Recognition and Reporting

Program income is defined as gross income received by the grantee or Subgrantee directly generated by a grant supported activity, or earned only as a result of a grant agreement during the grant period per WIOA Program Income, WSD 15-25. Program income received will be used before drawing cash down. Program income will be accounted for in the following manner:

a. Receipt of the program income (i.e. interest)
b. Recording the income in AFIN
c. Incorporation of program income received (deposited) on the quarterly reports filed in the CalJOBS reporting system

Disaster Recovery Plan – Cash Collection.

In the event of a disaster, the WIB will arrange to have any cash receipts collected during scheduled times at the Visalia and Porterville One Stop Facilities.

Internal Controls

Accounts Payable

Upon receipt, invoices are entered into the Questys tracking system by the WIB support staff. The Fiscal Staff will then review the invoices and determine if prior approval has been granted, either by contract, written agreement, etc. If prior approval has been determined to be in place, the Fiscal Staff will proceed with entering the invoice into the AFIN system. If prior approval cannot be located, the invoice will be approved and signed by the Executive Director or Deputy Director, then entered into AFIN.

All transactions require WIB approval in AFIN and co-approval by the County of Tulare Auditor's Office. Once all approvals have taken place, the County of Tulare will issue a warrant or electronic funds transfer as payment against the invoice.

Accounts Receivable

All Accounts Receivable invoicing will be performed by the Fiscal Staff. It is the responsibility of the Fiscal Staff to ensure all invoices are paid to the WIB on a timely basis.

Bank Deposits

The Fiscal unit will deposit all checks received by the WIB with the County of Tulare Treasurers Office within seven days of receipt. If the fiscal staff are not available, the checks will be deposited upon the first day of returning to the office.

Bank Reconciliation

All bank reconciliations are performed by the County of Tulare Auditors Office.

Budget vs. Actual Reviews

The Fiscal Staff will, on a quarterly basis, review expenditures and compare to the department budget. Any potential issues (such as a potential to be over-budget at the end of the fiscal year) will be reported to the Executive Director for appropriate action

The Program staff will review Service Provider and One-Stop Operator budgets on a monthly basis, and will report any potential issues to the Workforce Program Manager and the Deputy Director.

Credit Cards

All WIB credit cards are maintained by the Fiscal Department and kept in a locked and secured location. The Staff Services Analyst also has access to the credit cards in the event of Fiscal Staff absence. In order for a credit card to be issued to a WIB employee, the employee must present a Request for Purchase form that details the purchase, has been signed by the employee's supervisor and co-signed by the Executive Director or Deputy Director. For travel purposes, a conference confirmation must be presented to the Fiscal Staff. The employee will sign the card out on the credit card log and will be countersigned by the Fiscal Staff. On the day the employee returns, all receipts and the credit card will be submitted to the Fiscal Department, the employee will sign the card in on the log and Fiscal Staff will countersign for receipt of the card. If a credit card purchase is to be made by telephone or email, the purchase will be made by Fiscal Staff after appropriate authorizations have been received.

Invoices

If a WIB employee receives an invoice via email, the employee will forward the invoice to fiscalwib@tularewib.org in order for the invoice to be entered into Questys for processing and payment.

Travel

All conference registrations, hotel reservations, and travel arrangements (if necessary) will be performed by the Staff Services Analyst. If the matter is time-sensitive and the Staff Services Analyst is unavailable (vacation), the arrangements will be performed by the Fiscal Staff. On the first day of the employee's return, a copy of the conference agenda and all receipts will be submitted to the Fiscal Department.

For out of county travel, a Request for Travel Authorization must be completed and signed by the Executive Director or Deputy Director before the travel takes place.

Leveraged Resources

Leveraged resources are Federal funds used to further a grant's objectives. Leveraged resources will be tracked by the Fiscal Department. This includes any WIB costs and Service Provider costs that are to be leveraged to a grant project. WIB staff salary and benefits are the major source of WIB leveraged resources and are reported on the individual employee timesheets. Service Providers will report any leveraged resources to the WIB on a monthly basis.

Leveraged resources are subject to the same documentation requirements as costs paid with grant funds. The resource costs cannot be duplicated. For example $1,000 of leveraged resources cannot be leveraged to more than one grant.

All leveraged resources must be in accordance with current cost principles and comply with grant program restrictions. Additionally, values of services and property must be established in accordance with 2 CFR Part 200.434, Contributions and Donations.

Debt Collection

Purpose

The purpose of this policy is to formalize the established procedures relating to the collection of debts that will govern all program operators receiving funds under Title I of the Workforce Innovation and Opportunity Act (WIOA). .

General Information

The following provisions of the WIOA Final Rule are followed:

20 CFR Parts 200.22; 200.23; 200.92; 200.93 - Definition of Service Providers & Contractors
20 CFR Part 683.700 - Sanctions and Corrective Action
20 CFR Part 683.740 - Process for Advance Approval of a Recipients Contemplated Corrective Actions
20 CFR Part 683.750 - Offset Process

Policy

It is the administrative policy of the Tulare WIB that the guidelines and procedures included herein will govern the collection of debts.

Procedures

Demand for Repayment

When a debt is established as a result of an audit, a monitoring finding, investigation or other means, the following actions must be taken to collect the debt:

The Executive Director shall notify the Service Provider/Contractor and the Employment Development Department of the establishment of the debt. The notice shall include the following:

- The reason for the establishment of the debt, findings, etc. including citation of law:
- The amount of the debt and a demand for immediate repayment:
- The date the debt will be considered delinquent;
- Appeal rights;
- Whether or not interest will be charged on the debt and at what rate;

- A statement that payment(s) for services rendered will be withheld until the debt is satisfied and:

- Possible sanctions if the debt is not repaid (including being barred from further funding).

A minimum of three (3) debt collection letters will be sent to the Service Provider/Contractor at no less than thirty (30) day intervals if payment has not been received or a satisfactory alternative repayment plan has not been negotiated.

If the debt is still outstanding after 45 days, Tulare WIB will turn over the debt to the County of Tulare Collector for collection.

Records

Tulare WIB will use the established County AFIN system to record debt repayment. A permanent file will be maintained documenting all actions with respect to debt collection procedures followed including resolutions and supportive documents of agency's decision(s). Such documentation will be available for state/federal review.

Method of Payment

While cash to be paid in a lump sum is the required method of repayment, Tulare WIB will consider the following options for resolution of debts.

Installment Payments

Cash installment repayment agreements will be developed by the Fiscal unit and approved by the Workforce Investment Board (WIB) Compliance Resolution Unit (CRU). Installment repayment agreements will be of short duration (maximum of 36 months). Duration is negotiated based on size of the debt and the debtor's ability to pay.

Use of cash installment repayment is suggested for instances when debt collection efforts are impeded by an inability to pay the full debt amount in a lump sum. A program operator shall present proof of inability to make a lump sum payment of the debt.

Withholding/Offset

This repayment method will involve withholding amounts owed the debtor for past services or other considerations already provided in satisfaction of the debt owed.

Causes for Sanction

Where it is determined that the action or inaction that resulted in the creation of the debt involved gross negligence, willful disregard for the requirements of the Act, or failure to meet acceptable standards of administration, the repayment of debt will be in the form of cash from a non-federal source. Settlements of such debts on a non-cash basis will be

the exception and any form of repayment other than cash will be subject to the approval of WIB's CRU.

Standards for Termination, Compromising or Litigating Debts

Since all debts that are outstanding after 45 days are turned over to the County of Tulare Collector, the standards or criteria utilized by the County apply to these debts. However, the County must first seek an approval from the WIB, which will in turn seek approval from the Employment Development Department before a debt can be terminated or compromised.

Procedures for Processing Employee Time Sheets

The following are the guidelines for processing time sheets.

1. Time sheets are prepared and signed by each employee. On the Friday before the end of the pay period, the employee submits the time sheet to his/her supervisor for review, approval, and signature. The time sheet must be complete for time worked, vacation, sick, or holiday time off, and for administrative (medical) leave. The Executive Director does not have a supervisor within the department. The Staff Services Analyst is responsible for maintaining the Executive Director's schedule and calendar. Therefore, the Executive Director's time sheet will be counter-signed by the Staff Services Analyst.

2. The supervisor submits the time sheets to the Fiscal Unit who perform the following reviews:

   a. Verifies that the dates on the time sheet are for the current pay period.

      If there are adjustments from prior time periods, such as leave not previously accounted for, the accrued time is adjusted on the current timecard with a notation as to the circumstances.

   b. Verifies that both the employee and their supervisor sign all time sheets. The Executive Director and the Deputy Director have authority to sign the time sheet in the absence of the employee's direct supervisor.

   c. Time sheets not signed by either party are returned for signature.

   d. If time is missing on the time sheet, it must be verified with the employee's supervisor.

3. After all information on the time sheets is verified, the Fiscal staff recaps all timesheets according to time spent within each title and function.

4. The recap is then keyed into the Enterprise/Rapid Pay payroll system and transferred to the County of Tulare Payroll department for further processing. If the system is down, a manual pay card is submitted for each employee to the County Payroll Department by Tuesday 2:00 PM for processing. The cards are transmitted with a certification signed by the Executive Director.

5. Payments are made to employees either by direct deposit to bank accounts or actual paycheck. Fiscal staff picks up paychecks at the County. Total hours are verified against recap to ensure that all was processed.

6. Fiscal staff distributes the checks to staff. Checks, which cannot be distributed due to the absence of the employee, are maintained in a locked cabinet in the Fiscal Unit.

Sensitive Positions – Mandatory Time Off

Persons in designated "sensitive" positions will be required to take a week of consecutive leave per calendar year. This leave will be documented by the Fiscal Unit.

Sensitive Positions:

- Executive Director
- Administrative Services Officer
- Accountant

Attachments:

- Chart of Accounts
- Template for Service Provider/One-Stop Operator quarterly accruals