### Workforce Connections Policy FIS-020-05

**FIS-020-05**

**Supersedes Policy No. 2.7 dated 09-13-06**

**Revision No. 2 - Effective 04-06-18**

**Policy Approved By:** WC Executive Director

**Policy Adopted on:** 06-24-2016

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**Purpose:**
To provide sub-recipients with guidance and set forth standards for financial invoicing requirements for programs funded in whole or in part with Workforce Innovation and Opportunity Act (WIOA) Title I funds.

**Background:**
The Office of Management and Budget (OMB) together with Federal awarding agencies has issued a joint final rule. This final guidance is located in Title 2 of the Code of Federal Regulations. This final guidance supersedes and streamlines requirements from OMB Circulars A–21, A–87, A–110, and A–122 (which have been placed in OMB guidance); Circulars A–89, A–102, and A–133; and the guidance in Circular A–50 on Single Audit Act follow-up. The final guidance consolidates the guidance previously contained in the aforementioned citations into a streamlined format that aims to improve both clarity and accessibility. The guidance also establishes principles and standards to provide a uniform approach for determining costs and to promote effective program delivery, efficiency, and better relationships between governmental units and the Federal Government.

Accounting systems shall provide for accurate, current, and complete disclosure of all expenditures, including but not limited to those from grants, contracts, or agreements. The costs shall be traceable to a level of detail that establishes compliance with either Acts’ regulations or the sub-award agreement.

**Policy:**
It is the policy of Workforce Connections (WC) that all recipients and sub-recipients receiving WIOA Title I funds awarded by WC must establish a sound financial management system of controls that comply with the applicable uniform administrative requirements, cost principles, and audit requirements as established under Title 2 of the Code of Federal Regulations Part 200. Therefore, all sub-awards awarded by WC are subject to applicable funding source Act’s statutes and regulations, State and local policies.

**Reference:**
Public Law (P.L.) 113-128 WIOA Sec. 184; 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 20 CFR Part 683; TEGL 15-14 Implementation of the new uniform guidance regulations

The timely processing of invoicing and payment of allowable expenditures is key to the successful operation of both WC and its sub-recipients. WC allows for payment of all incurred costs that are allowable and allocable within the applicable cost principles and the approved contract agreement budget. WC also allows sub-recipients to request reasonable cash advances, also known as cash forecasts, to meet the immediate cash needs of WC programs per WC policy FIS-020-07 Cash Management.
I. General Provisions

Financial Management System Standards

The 2 CFR establishes a set of standards that must be included in the financial management systems of grantees and sub-grantees.

A. Internal Controls.

An integral component of an organization’s management that provides reasonable assurance that the following objectives are being achieved:

1. Effectiveness and efficiency of operations;
2. Reliability of financial reporting; and
3. Compliance with applicable laws and regulations.

In general, sub-recipients shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of, and accounting for, funds awarded by WC. Such procedures shall ensure that all financial transactions are conducted and records maintained in accordance with generally accepted accounting principles, and demonstrate compliance with established Federal, State and local regulations.

B. Source Documentation

1. All accounting/fiscal records must be supported by source documentation, meaning that all transactions and events need to be clearly and timely documented, and that the documentation shall be readily available for evaluation. By law, sub-recipients are required to maintain and retain records of all programmatic and fiscal activities funded in whole or in part under Title I of WIOA according to record retention requirements outlined in WC policy Admin-010-04.
2. Copies of support documentation with respect to direct participant costs must be included in the program participant files.

C. Sub-recipients are responsible for the efficient and effective administration of WIOA Title I funds through the application of sound financial management systems of control. Sub-recipients assume responsibility for administering WIOA Title I funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of contract awards.

D. Sub-recipients should carefully review their system for charging costs to ensure that all the cost activities are adequately accounted for and that the costs reported on the applicable monthly financial reports/invoices are traceable to both the accounting system and source support documentation. A clear audit trail must exist between the official books of account and required financial reports and invoices. Sub-recipients must use resources consistent with the organization’s policies and/or procedures, in compliance with all applicable laws and regulations and with minimal potential for waste, fraud or mismanagement.

If a sub-recipient receives more than one type of funding (e.g., adult, dislocated worker, in-school-youth, out of school youth) the sub-recipient’s accounting system must be able to report revenue and expenses for each type of funding separately.
E. General Management Control Standards:
   1. All program obligations and costs must comply with applicable laws and regulations.
   2. Management controls must provide reasonable assurance for program assets to be safeguarded against waste, loss, unauthorized use and misappropriation.
   3. Sub-recipients must maintain high levels of integrity and competence to help ensure accuracy, completeness and validity of all fiscal transactions.

II. Invoice Procedures
Each sub-recipient shall invoice WC at least monthly by the 20th day of the following month in which costs were incurred. In the event that no costs are incurred in a month, the sub-recipient must submit an e-mail to the WC fiscal department informing that no costs were incurred during the month.

Provisions:
A. Invoices shall be fully completed, properly signed and dated;
B. Invoices shall be signed by authorized representatives only per the organization’s Signatory Authority List;
C. Sub-recipients must use the WC established format;
D. A general ledger expenditure report must be included with each submitted invoice that ties to the amount billed;
E. Invoices shall be submitted electronically to: invoices@snwvc.org;
F. All expenditures must be tracked and recorded by program type/category, (e.g., adult program, dislocated worker program, youth in school, youth out of school);
G. WC reserves the right to request additional support documentation at any time as deemed necessary for the proper processing of submitted invoices;
H. WC requests its funds from the State on a weekly basis. In order for a sub-recipient’s invoice to be included in this weekly request, the sub-recipient must submit a fully completed invoice by close of business the previous Friday. The sub-recipient will receive payment within five (5) business days after WC receipt of funds from the State.
I. Additional instructions can be found at: http://184.2.174.35/?page_id=6311;
J. WC encourages its sub-recipients to request technical assistance as found to be necessary;
K. Sub-recipients must ensure that all incurred costs are authorized or not prohibited under Federal, State or local laws or regulations;
L. Sub-recipients may bill WC on the cash or accrual basis, but must be consistent throughout the contract period. Any mid-contract changes with respect to the selected methodology must be approved by WC fiscal department. Sub-recipients on the cash basis must convert to the accrual basis during the closeout period to ensure that all expenses are recorded and billed in the proper period when incurred. All accruals must be liquidated by the end of the contract closeout period.

III. Review Requirements
A. WC will review all submitted invoices for accuracy, integrity, and completeness.
B. If determined during fiscal/programmatic review that submitted invoices do not meet established standards, or invoiced expenditures are not substantiated, the sub-recipient will be advised in writing with respect to specific corrective action to be taken.
C. WC will only process properly completed invoices, where all program participant related activities, costs, case notes, outcomes, etc.; have been properly recorded in WC's data system, per the WC program administrator.
IV. **Right to Withhold**

WC reserves the right to deny all or a portion of any reimbursement otherwise due to the sub-recipient when WC gives the sub-recipient written notice of WC's opinion that specific deficiencies must be cured, and which grants the sub-recipient 10 business days to cure the following:

A. The sub-recipient’s performance, in whole or in part, either has not been carried out or is insufficiently documented; or

B. The sub-recipient has neglected, failed or refused to furnish information or to cooperate with any inspection, audit or review of its program(s), work or records; or

C. The sub-recipient has failed to sufficiently itemize or document its demand(s) for payment; or

D. The sub-recipient has materially failed to comply with any of the established Federal, State, local, or contract agreement provisions; or

E. The sub-recipient has failed to reimburse any disallowed cost(s) to WC.

**Note:** WC may grant the sub-recipient an extension of time to cure said defect in response to a written request from the sub-recipient indicating why 10 business days is determined to be unreasonable time to cure said defect.

V. **Accessibility.**

A. Consistent with WC policies, the Federal awarding agency, the Inspector General, Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records (including electronic writings and records) of recipients, sub-recipients, vendors, and others that are pertinent to the award, in order to make audits, examinations, excerpts, transcripts and copies of such documents. This right also includes timely and reasonable access to a recipient/sub-recipient's personnel for the purpose of interview and discussion related to such documents. For WIOA Title I recipients/sub-recipients, the Director – Office of Civil Rights has the same rights of access described above per the requirements of Title 29 of the Code of Federal Regulations Part 38. The rights of access mentioned in this paragraph are not limited to the required retention period, but shall last as long as records are retained.

B. **Right to examine:** Sub-recipients shall give the Department of Labor (DOL), the Nevada Department of Employment, Training and Rehabilitation Department (DETR), and WC, through any authorized representative, the access and right to examine all records, books, papers or documents related to its WC sub-awards.