



APPROVAL DATE:

12/12/12

APPROVED BY:

Carl Dudley, WIB Chair

**COUNTY OF SAN LUIS OBISPO  
DEPARTMENT OF SOCIAL SERVICES**

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**POLICY NO:** 16-08  
**TO:** Service Providers  
**EFFECTIVE:** July 1, 2009 (Revised December 30, 2013)  
**SUBJECT:** Monthly Financial Reporting Requirements

**REFERENCES:**

- Office of Management and Budget (OMB) Circular A-21: Cost Principles for Educational Institutions
- MB Circular A-87: Cost Principles for State, Local, and Indian Tribal Governments
- OMB Circular A-122: Cost Principles for Non-Profit Organizations
- Title 29 Code of Federal Regulations (CFR) Part 95: Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- Title 29 CFR Part 97: Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government
- Workforce Investment Act (WIA) Regulations, 20 CFR Parts 652 et al, 663.410, 663.805, 663.815, 664.320, 665.300, 665.310 and 665.320
- Department of Labor Training and Employment Guidance Letter (TEGL) 17-05, dated February 17, 2006, Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues
- ETA 9130 Federal Financial Quarterly Report Instructions.
- WIA Sections 101(8), 101(31), 134(a)(3)(A)(iv)(I), and 134(d)(4)(D)
- Title 29 United States Code (USC) Section 2864(d)(4)(D)
- Title IV of the Higher Education Act of 1965 Section 401
- SB 734 (DeSaulnier), Chapter 498, Statutes of 2011
- California Unemployment Insurance Code (CUIC) Section 14211
- Workforce Services Directive WSD11-9, Subject: WIA Training Expenditure Requirements (May 17, 2012)

- WIA Directive WIAD06-15, Subject: Eligible Training Provider List (ETPL) (February 7, 2007)
- Workforce Services Directive WSD12-3, Subject: Quarterly and Monthly Financial Reporting Requirements, dated July 18, 2012.

## **PURPOSE:**

The purpose of this policy is to provide guidance for the reporting of monthly WIA financial data. The Workforce Investment Act (WIA) financial requirements for all subrecipients require that accounting records be maintained that adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

The State of California and the Department of Labor require workforce investment areas to report timely and to include in those reports the expenditures of their service providers.

## **SCOPE:**

This policy applies to all San Luis Obispo County Department of Social Services (DSS) service providers in receipt of WIA grant funds. Service providers are required to comply with Federal, State, and DSS expenditure reporting requirements.

## **BACKGROUND:**

As the designated Administrative Entity/Fiscal Agent of the San Luis Obispo County Workforce Investment Board, DSS is required by federal regulations to submit accurate financial reports to the State of California Employment Development Department (EDD) on a monthly and quarterly basis. As such, this policy is issued to provide essential information regarding the submittal dates and requirements for monthly reporting.

## **POLICY AND PROCEDURES:**

### **Definition of Terms**

To ensure a common understanding of the terminology associated with WIA financial reporting requirements, the following set of definitions of critical terms are provided.

***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 service provider records are not normally kept on the accrual basis of accounting, then the service provider must develop accrual information through analysis of documentation on hand.

**Accrued Expenditures**—The charges incurred and recorded, but not yet paid for, during a report period requiring the provision of funds by the grantee or subcontractor for:

- 1) goods and other tangible property received,
- 2) services performed by employees, contractors, subcontractors and other payees, and
- 3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

All service providers of WIA funds must report expenditures on an accrual basis. Although DOL does not require entities who maintain records on a cash basis to change their accounting system, it does require that the entity develop accrual data for WIA reporting on the basis of an analysis of the documentation on hand.

Fiscal control and accounting procedures must be sufficient to:

- 1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
- 2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

**Cash Expenditures**—An actual disbursement of funds for goods and services that have been received.

**CFDA Number**—The number assigned to a federal program in the Catalog of Federal Domestic Assistance (CFDA). The CFDA number 17.258 is used for Adult programs, number 17.259 is used for Youth programs and number 17.260 is used for Dislocated Worker (including Rapid Response) programs.

**Customized Training**—This training, as defined in WIA Section 101, is designed to meet the special requirements of an employer (including a group of employers); is conducted with a commitment by the employer to employ an individual on successful completion of the training; and for which the employer pays for not less than 50 percent of the cost of the training.

**Individual Training Account (ITA)**—As described in WIA regulations 20 CFR 663.410, an ITA is an account established on behalf of a participant. The ITA allows an adult or dislocated worker to purchase training services from eligible providers. An ITA is considered to be an obligation at the point the participant actually enrolls in the training program. The obligation must be accrued/expensed as the training takes place and

reported on the “training payments” line of the cost report. Prior to enrolling in the training program, the ITA is not considered an obligation or expenditure.

**Leveraged Resources**—Leveraged resources are not defined in regulation or any related administrative requirements, however for Employment Training Administration (ETA) programs, leveraged resources means all resources used by the Subrecipient and/or Subrecipient Contractor to support grant activity and outcomes, whether or not those resources meet the standards required for match. Therefore, for purposes for ETA’s WIA grants, leveraged resources means all federal and non-federal expenditures (cash contributions and/or in-kind contributions) that are allowable and auditable under the Circulars and that support grant activity. This includes all federal expenditures and any non-federal expenditures that meet the standards required for match but is in excess of the match requirement. Local boards, for the purpose of SB 734, will report federal and non-federal resources (cash contributions and in-kind contributions) used by the Subrecipient and/or Subrecipient Contractor for training services. Leveraged resources must be allowable and auditable under the WIA program and meet the requirements of local area Policy 39-08, WIA Training Expenditure Requirements.

**Needs-Related Payments**—As described in WIA regulation 20 CFR 663.815, needs-related payments provide financial assistance to participants for the purpose of enabling individuals to participate in training and are one of the other supportive services authorized by WIA. Refer to WIA Section 134(e)(3).

**Program Income**—The income received by a contractor directly generated by a grant support activity, or earned only as a result of the grant agreement during the grant period. Program income minus the costs generated from those activities equals net program income. At this time, the net program income method used in accounting for revenue and associated costs must be used in the WIA program. Interest income earned on funds received under WIA is included as program income.

**Supportive Services**—These are services, provided directly or through cash assistance that enable an individual to participate in the WIA program. Supportive services may only be provided to individuals who are participating in core, intensive or training services and unable to obtain supportive services through other programs providing such services. Supportive services may only be provided when they are necessary to enable individuals to participate in Title I activities. Supportive service costs must be reported in the cost category where the expense was incurred. Supportive Services may not be applied toward the minimum requirement expenditures toward training services as described under SB734.

**Training Services**—The goal of training services is for workers to attain specific occupational skill-sets needed to perform work tasks during the workday. The following is a listing of training services that comply with local Policy 39-08, WIA Training Expenditure Requirements:

A program of training services is one or more courses or classes, or a structured regimen that upon successful completion, leads to:

- (a) A certificate, an associate degree, baccalaureate degree, or
- (b) The skills or competencies needed for a specific job or jobs, an occupation, occupational group, or generally, for many types of jobs or occupations, as recognized by employers and determined prior to training.

Training services are limited to the following:

- Occupational skills training, including training for nontraditional employment
- On-the-job training
- Programs that combine workplace training with related instruction, which may include cooperative education programs
- Training programs operated by the private sector
- Skill upgrading and retraining
- Entrepreneurial training
- Job readiness training
- Adult education and literacy activities provided in combination with one or more of the other training services listed above
- Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training

**Voucher**—A voucher is a document that is exchangeable for training services.

The following is a listing of WIA services classified by program activity. These categories relate to the recording classification on the WIA cost report.

**REGISTRATION FOR WIA SERVICES**

*(THESE ARE EXAMPLES ONLY AND NOT AN ALL INCLUSIVE LIST)*

<b>Universal (Self-Service) Informational Services (Participants included in self-service count)</b>	<b>Core (Staff Assisted) Services (participants enrolled and subject to accountability)</b>	<b>Intensive Services</b>	<b>Training Services</b>
Determination of eligibility to receive assistance under Title 1B	Staff assisted job search and placement assistance including career counseling	Comprehensive and specialized assessment, such as diagnostic testing and interviewing	Occupational skills training

<b>Universal (Self-Service) Informational Services (Participants included in self-service count)</b>	<b>Core (Staff Assisted) Services (participants enrolled and subject to accountability)</b>	<b>Intensive Services</b>	<b>Training Services</b>
Outreach, intake and orientation	Follow-up services, including counseling regarding the workplace	Full development of individual employment plan	On the job training
Initial assessment of skill levels, aptitudes, abilities and need for supportive services	Staff assisted job referral (such as testing and background checks)	Individual counseling and career planning	Private sector training programs
Eligible training provider performance information	Staff assisted workshops, job clubs	Case management	Skill upgrading and retraining
Performance information on the local One-Stop delivery system		Short term pre-vocational services	Entrepreneurial training
Information on supportive services and referral to supportive services		Follow-up services, including counseling for registrants (those previously receiving intensive/training services) after entering employment	Job readiness training
Information regarding filing for unemployment compensation			Adult education and literacy activities combined with training
Assistance in establishing eligibility for training and education programs			Customized training
Resource room usage			

<b>Universal (Self-Service) Informational Services (Participants included in self-service count)</b>	<b>Core (Staff Assisted) Services (participants enrolled and subject to accountability)</b>	<b>Intensive Services</b>	<b>Training Services</b>
Internet browsing (job, information and training searches)			
Internet accounts			
Initial development of employment plan			
Talent referrals (informational, e. g., talent scouts, labor exchange referrals of resumes without further screening)			
Workshops and job clubs			

**MONTHLY REPORTING REQUIREMENTS:**

All service providers are required to report expenditures on an accrual basis and must submit monthly expenditure reports. This is a federal requirement. Monthly expenditures (including accruals) and obligations must be reported on a monthly basis and a separate expenditure report must be filed for each fund source. When applicable, the Administrative Entity/Fiscal Agent will provide services providers with updated electronic reporting documents at the beginning of each plan year.

***Monthly electronic invoices and invoice detail are always due the 15th of the month following the report period/month. Prior authorization from the Administrative Entity/Fiscal Agent must be obtained by any service provider requesting a later due date.***

**Note:** When the reporting deadline falls on a weekend or holiday, all reports are due by close of business the next working day after the reporting deadline.

***Failure to submit invoices by the specified time may result in a delay in reimbursement of expenditures and/or the imposition of corrective actions on the contractor.***

**REPORT SUBMISSION:**

Unless otherwise authorized, completed electronic invoices will be submitted not later than 15 working days after the first day of each month to:

Gladys Kintz (gkintz@co.slo.ca.us)  
cc: Reva Bear (rbear@co.slo.ca.us)  
Sarah Hayter (shayter@co.slo.ca.us)  
Patti Larose (plarose@co.slo.ca.us)  
Dawn Britt (dbritt@co.slo.ca.us)

Signed documents are to be hand delivered or mailed to:

Department of Social Services  
Accounts Payable  
3433 S. Higuera St (PO Box 8119)  
San Luis Obispo, CA 93403

**ACTION:**

All WIA service providers shall follow this policy. This policy shall remain in effect until such time that a revision is required.

**INQUIRIES:**

Inquiries should be addressed to WIA Technical Assistance at [wiata@co.slo.ca.us](mailto:wiata@co.slo.ca.us).

**REVISION HISTORY:**

<i><b>DATE</b></i>	<i><b>DETAILS</b></i>
12/30/2013	1-updated inquiry contact info and report submission contacts