FISCAL TRAINING FOR YOUTH PROGRAM

07/30/2019 – 08/13/19

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WDD Team

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- Madeline Tsang 909.387.9883 – Administrative Supervisor

Topics Covered

- Contract Award Information
- Financial Regulations
- Fiscal Management Systems
- Chart of Accounts
- Internal Controls
- Required Written Fiscal Policies and Procedures
- Allowable Costs
- Types of Costs
- Direct Costs and Indirect Costs
- Cost Allocation and Indirect Cost Rate
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Contract Award Information

WIOA Youth for Program Year 2019-2020

- Funding Source: Title I Workforce Innovation and Opportunity Act
- CFDA# 17.259
- Contract Number: please refer to your individual contract

Financial Regulations

- 2 CFR 200 and 2900 Uniform Guidance for Administrative Requirements, Cost Principles, Procurement, Internal Control and Audit Requirements https://www.ecfr.gov
- Employment and Training Administration (ETA) – TEGL
- State WIOA Program Directives
- Generally Accepted Accounting Principles(GAAP)
- San Bernardino County Auditor-Controller's Financial Requirements
- Claim Requirements from the Workforce Development Department
- Terms and conditions of WDD contract award
- Follow all applicable laws, including labor laws

Financial Management Systems

2 CFR 200.302(b)

- Must provide for:
  - Identification of awards received & expended
  - Accurate, current & complete disclosure of financial results of each award or program in accordance with reporting requirements
  - Records that identify adequately the source and application of funds for federally funded activities

Chart of Accounts

- Must be detailed enough to cover all reporting elements and/or all budget categories for each source of funds – for both federal & recipient share
- Must also provide for program income earned & spent
- Separate tracking required for each contract award/funding source, reporting element, expense and budget item categories

Internal Controls

2 CFR 200.400, 200.303, 200.61, 200.62

- Sub-recipients are required to have written internal controls systems and provide reasonable assurance in the following categories:
- Effective and efficient operations
- Reliability of internal and external reporting/claims
- Compliance with laws and regulations
- Sub-recipients are required to follow their written internal controls system policies
- Effective Internal Control elements are cost-effective, safeguard assets, adhere to organization's policies/procedures, promote operational efficiency

Required Written Fiscal Policies and Procedures

2 CFR 200.302,305,318,319,320,430,431,464,474

- Procurement, Competition, Method for evaluation and selection
- Allowable costs, Indirect costs, cash management, Contract
- Compensation, Fringe Benefits, Employee relocation costs
- Payment, travel, record retention
- Internal control, property/inventory management
- Accounting system, budget controls and modifications
- Chart of account, receivables, payables, approvals
- Monitoring, audits and resolution
- Small purchase process – credit card, petty cash etc.

Allowable costs

Reimbursable Expenditures must be:

1) Necessary, reasonable, and allowable
2) Allocable (scope of work & benefits received)
3) Allowed by Federal, State, County, and conform with ETA grant guidelines and limitations
4) Authorized by and conform to the procedural rules adopted by Workforce Development Department (WDD)
5) Allocation Rate must be consistent
6) Adequately documented (traceable to official source documentations)

Types of Costs

Allowable Costs:

Training, collection of payments, searching/obtaining child care etc.

Unallowable Costs:

Entertainment, fines and penalties, Bad debts, actual child care costs

Allowable Costs with Conditions:

Personnel, rent, conference, other(most costs)

Direct Costs and Indirect Costs

Direct Costs:

Administrative and program such as direct salaries and wages, applicable fringe benefits, training materials and supplies, travel, supportive services etc.

Indirect Costs:

Administrative and program such as facilities, utility, Executive Director, auditing fees, payroll, accounting etc.

Cost Allocation and Indirect Cost Rate

2 CFR 2900.17, 200.4

Sub-recipients with multiple funding sources must allocate costs within organization and department to a specific grant or final cost objectives according to the benefits received by a specific grant. Sub-recipients must submit the following documents to WDD:

- **Cost allocation plan**
- **Indirect cost rate agreement from cognizant agency (if applicable)**
- **De Minimis Rate - 10% of Modified Total Direct Cost (MTDC)**

If an entity needs to apply for an indirect cost rate, please contact Madeline T. at mtsang@wdd.sbcounty.gov

Modified Total Direct Cost (MTDC)

2 CFR 200.68

MTDC Includes:

- Direct Salary, wages, applicable fringe benefits
- Direct training, materials, supplies, services, travel
- Sub-contract up to the first $25,000

MTDC Excludes:

- Cost of equipment, capital expenditures
- Rental costs, tuition, scholarships, participant support costs and the portion of each sub-contract in excess of $25,000.

Administrative Functions

20 CFR 683.215(b), 2 CFR 683.205(a)(5)

- Administrative cost is based on the functions and can be direct and/or indirect costs. The example of these functions are as following:
  - Accounting, budgeting, cash management, fiscal monitoring, personnel management and financial reporting
  - Procurement, property management, general legal services
  - Travel, IT, goods and services for administrative functions
  - Developing systems & procedures for administrative functions
  - Costs of negotiating a MOU/contract are excluded from Administrative cost

Program Income

- Program Income earned and expended by sub-recipients must be reported on the Monthly Expenditure Claim Form to be deducted from the total reimbursement
- Program Income is allowed, but must be deducted from your planning estimate and monthly expenditure claims so there is no net increase

Accrual Requirements

- Expenditures and revenues have been incurred but are not yet recorded as revenues or expenditures at the end of the accounting period
- Sub-recipients are required to submit the accrued expenditures with details on each monthly claim (see instructions on the Accrual Request Form)

Procurement Requirements

- A single purchase of $500 or above (including lease) must have:
  - Prior written approval from the WDD Youth Program Analyst
  - Three (3) competitive quotes are required prior to approval
- Cumulative total of $1,000 for a fiscal year for a specific category per budget line item requires competitive procurement

- Documentation of procurement processes, quotes, and cost-benefit analysis must be kept for auditing purposes
- Any prior approvals from past fiscal year must be re-approved and new competitive procurement is required

Inventory Records

WIOA funded assets such as computers, office furniture, equipment, and software etc. must be purchased and kept according to State, County, and contract requirements. Physical inventory count and records must be reconciled at least annually. Disposition of the assets must be pre-approved regardless of the dollar amount by WDD

Inventory records must be recorded at the time of purchase with the following information:

- A description of equipment
- Manufacturer's serial number, model number, or other identification number
- Funding source of the purchase including contract number
- Acquisition date and unit price at acquisition
- Location of the inventory
- Disposition date, sale price, loss, theft, etc…

Records Retention

- Financial records such as expenditure claim records including receipts, accounting system records, and all other required supporting documentation must be maintained for **seven years (7)**
- Any unresolved litigation, claim, or audit finding: all records must be retained until all findings have been resolved and final action taken

- Same record retention rules apply to procurement, purchases, and inventory records

Planning Estimate Revision

- Planning estimate revision must be approved by WDD Program Analyst prior to expenditure claim submission
- No revisions allowed during May and June
- Planning Estimate Revision Form is included in the claim form package
- Revisions are only required if line item adjustments are greater than 10% of total award

Leveraged Resources

- Leveraged resources requirement: 25% of WIOA funding per contract terms
- Leveraged resources may come from Federal or non-Federal sources but those resources are not reimbursed by WIOA programs
- Leveraged resources are required to be reported monthly on the claim

Fiscal Monitoring

WIOA FISCAL & PROCUREMENT

MONITORING GUIDE

- Monitoring Guides need to be completed and submitted timely to monitor for review
- Fiscal and procurement policies and procedures
- Ask questions to avoid submitting incomplete guides
- Training material – Fiscal and Program staff
- Internal controls are in place and are being followed

Fiscal Monitoring, continued

What Common Areas Will Be Monitored?

- Authorization on expenditures and consistency of cost allocation/accounting treatment
- Fiscal, procurement, and internal control policies and procedures
- Timely claims and reports with adequate supporting documentation
- Administrative expenditures vs. program expenditures
- Financial reports including 3 year's audit and monitoring results and findings
- Under or over estimated accruals
- Cost allocation plan and indirect cost rate
- Program income, interest income, and match and leveraged resources
- Property assets, inventory, cash, and prepaid card management
- Quality of management systems including accurate accounting and reporting capabilities

Fiscal Monitoring, continued

Example of Sample Review by WDD staff:

- Invoice review – are expenses claimed:
  - Necessary for the program
  - Reasonable expense
  - Allowable under the program
  - Allocable, can it be assigned to specific grant
- Supporting documentation matches system data entry
  - Date on supportive services form matches case note date and activity date
  - Case notes "tell the story"
    - ✓ What service was provided
    - ✓ Why was the service provided
    - ✓ How will the service benefit the participant

Monthly Claims

- WIOA expenditure claims are due on the 10th of every month except May and June. WDD may request an early submission due to grant closing or fiscal year end process
- Claim package must include the following items:
  - Claim Check List
  - Authorized claim form
  - Accrual form, if applicable
  - Leveraged Resource Form
  - Payroll Summary
  - Supportive Services Request Form, if applicable
  - Supporting documentation for applicable expenditure classifications from "A" through "U"

Claim Basics

- The maximum of administrative cost is 8% of the total expenditure
- The maximum indirect cost (Admin cost Plus indirect cost) is 15% of total expenditure per contract
- Work experience requirement: At least 20% or more of the cumulative annual expenditure
- 100% of funding must be spent on out-of-school youth with 25% leveraged non WIOA funds
- WDD has the sole and absolute discretion to disallow costs and seek reimbursement, if necessary

Website

http://wp.sbcounty.gov/workforce/youth/youth-program-news/

- Providers Monthly Expenditure Claim Form
- WIOA Youth - Fiscal Forms
- Claim Check List
- Required Claim Supporting Documentations

Questions

Thanks

THANK
YOU
MAAKE
TERMA KASIH
MULTUMESC
GRAZIE
MERCI
MOCHCHAKKERAM
KIITOS
MULTUMESC
KIA
CAM ON BAN
MERCI
OBRIGADO
ASANTE
UA TSAUG RAU KOJ
GRAZIE
CHOKRANE
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