

**TITLE 11      LABOR AND WORKERS' COMPENSATION**  
**CHAPTER 2    JOB TRAINING**  
**PART 11      WORKFORCE INVESTMENT ACT (WIA) FINANCIAL MANAGEMENT GUIDE**

**11.2.11.1      ISSUING AGENCY:** New Mexico Department of Labor.  
[11.2.11.1 NMAC – N, 7/1/2000]

**11.2.11.2      SCOPE:** The State Administrative Entity (SAE), New Mexico Workforce Development Areas/Local Workforce Development Boards (NMWDAs/LWDBs) and WIA Subrecipients.  
[11.2.11.2 NMAC – N, 7/1/2000]

**11.2.11.3      STATUTORY AUTHORITY:** The Workforce Investment Act (WIA); Interim Final Rule at Subtitle E, Administration Sections 181 and 195, and Subtitle F, Repeals and Conforming Amendments, Sections 199 and 199A. Also, the Federal Register, Volume 64, Number 72, dated April 15, 1999, Part 667, "Administrative Provisions Under Title I of the Workforce Investment Act," Authority: Section 506(c), Pub. L. 105-220;20 U.S.C. 9276(c) and any amendments thereto, New Mexico Workforce Development Act, New Mexico House Bill 740, Chapter 260, Laws of 1999, Forty-fourth Legislature.  
11.2.11.3 NMAC – N, 7/1/2000]

**11.2.11.4      DURATION:** Permanent.  
[11.2.11.4 NMAC – N, 7/1/2000]

**11.2.11.5      EFFECTIVE DATE:** July 1, 2000 unless a later date is cited at the end of a section.  
[11.2.11.5 NMAC – N, 7/1/2000]

**11.2.11.6      OBJECTIVE:** This policy transmits the Financial Management Guide and will provide uniform and equitable policies and procedures to be followed by the SAE, NMWDAs/LWDBs and WIA subrecipients in implementing the financial requirements of the WIA and any amendments thereto.  
[11.2.11.6 NMAC – N, 7/1/2000]

**11.2.11.7      DEFINITIONS:** [RESERVED]  
[11.2.11.7 NMAC – N, 7/1/2000]

**11.2.11.8      ACTION:** All New Mexico Workforce Development Areas, Local Workforce Development Boards and WIA subrecipients must comply with the provisions outlined in this policy. Exceptions to provisions identified must be requested in writing and in advance from the State of New Mexico, Department of Labor, Administrative Services Division, and Financial Management Bureau. This SAE policy will be revised periodically as needed to incorporate changes in the legislation, regulations, and state policies, and may be expanded to include specific interpretation of financial management and procurement issues that may arise.  
[11.2.11.8 NMAC – N, 7/1/2000]

**11.2.11.9      CONTACT ENTITY:** Inquiries regarding this policy should be directed to the New Mexico Department of Labor at (505) 827-6827 in Santa Fe.  
[11.2.11.9 NMAC – N, 7/1/2000]

**11.2.11.10     DISTRIBUTION:** NMWDA and LWDB Chairperson, SAE/NMWDA/LWDB Legal Counsel, NMWDA/LWDB Administrative Entities, SAE/NMWDA/LWDB EO Office, SAE Subrecipients, NMWDA/LWDA Subrecipients, USDOL Federal Representative and New Mexico State Records, Center and Archives.  
[11.2.11.10 NMAC – N, 7/1/2000]

**11.2.11.11     ATTACHMENTS:** [RESERVED]  
[11.2.11.11 NMAC – N, 7/1/2000]

**NEW MEXICO DEPARTMENT OF LABOR  
ADMINISTRATIVE SERVICES DIVISION  
WORKFORCE INVESTMENT ACT (WIA)  
SAE FINANCIAL MANAGEMENT GUIDE**

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For the following forms, contact:

New Mexico Department of Labor  
Financial Management Bureau  
(505) 841-8657

Form FMB/WIA-1 (Expenditures)  
Form FMB/WIA-2 (Cash Request)  
WIA Property Inventory Control Form  
Procurement Code

**WORKFORCE INVESTMENT ACT (WIA)  
FINANCIAL MANAGEMENT GUIDE**

**INTRODUCTION**

The Workforce Investment Act (WIA) at sec. 184(a)(1) requires each state to establish fiscal control and fund accounting procedures necessary to assure the proper disbursement of, and accounting for Federal funds allocated to local areas under subtitle B – Statewide and Local Workforce Investment Systems, of the Act. Recipients of funds under this title must keep records that are sufficient to permit the preparation of reports required by this title and to permit the tracing of funds to a level of expenditures adequate to ensure that the funds have not been spent unlawfully.

To this end, the Financial Management Guide (FMB) has been designed to provide Workforce Development Areas and Local Workforce Development Boards with the required forms, instructions, and procedures needed to comply with the Workforce Development Act, its Federal Regulations, and any procedures established by the Governor.

## **CHAPTER I**

### **Applicability of the Financial Management Guide –**

Except as otherwise provided for in the FMB, Chapters II through XIV apply to the State Administrative Entity, the New Mexico Workforce Development Areas (NMWDAs), the Local Workforce Development Boards (LWDBs), and any subrecipient of WIA funds.

Exceptions to provisions identified within this manual must be requested in writing and in advance from the State of New Mexico Department of Labor (NMDOL), State Administrative Entity (SAE), Financial Management Bureau.

This manual will be revised periodically as needed to incorporate changes in the legislation, regulations and state policies, and may be expanded to include specific interpretations to financial issues that may arise. For the current period from July 1, 2000, forward, references to the WIA refer to the Act in H.R. 1385 Sec. 101 through 507. References to Federal Regulations are taken from CFR Title 20, Chapter V, Sections 660 through 671 -- Introduction to the Regulations for Workforce Investment Systems Under Title I of the Workforce Investment Act, authorized by Sec. 506(c), Pub. L. 105-220; 20 USC 9276(c). These may be amended in the future.

In the event of a conflict between this manual and other SAE Issuances or policies, this manual will automatically supersede any prior issuances or policies.

## CHAPTER II

**Definitions** – For the purposes of this guide, the following definitions or terms apply as appropriate to programs under WIA title I.

Accrued Expenditures – means charges made to the WIA program. Accrued expenditures are the sum of actual cash disbursements, plus the amount of indirect expense incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and/or services received, including services performed by employees, contractors, subrecipients, subcontractors, and other payees, and any other amounts owed by the recipient, under programs for which no current services are required, like annuities, insurance claims, and other benefit payments.

Accrued Income – means the sum of: earnings during a given period from services performed by the grantee and goods and other tangible property delivered to purchasers, and amounts becoming owed to the grantee for which no current services or performance is required by the grantee. Examples of WIA income are: ineligible service provider liability to repay due to loss of eligibility for intentionally supplying inaccurate information 20 CFR 663.565(a)(3); fee-for-service charged to employers for customized services sec. 663.145(b)(ii); and any fee-for-service charged incumbent participants sec. 665.220.

Adult – Adult WIA funding stream applies to individuals 18 years of age or older registered for Adult services under WIA. Displaced homemakers who had been dependent on public assistance are included under the Adult Funding Stream, per 20 CFR 663.120(2).

Commercially Available or Off-The-shelf Training Package - means a training package sold or traded unmodified, in substantial quantities to the general public in the course of normal business operations, at prices based on established catalog or market prices. To be considered as “sold to the general public,” the package must be regularly sold in sufficient quantities to constitute a real commercial market, to buyers which may include WIA programs but must include other than WIA programs. The package must include performance criteria.

Concurrent Enrollment - applies to individuals ages 18 through 21 who may be eligible for both adult and youth programs. Such individuals must be eligible under the youth or adult eligibility criteria applicable to the services received. Local program operators may determine, for individuals in this age group, the appropriate level and balance of youth and/or adult services.

Contractor – means the organization, entity, or individual that is awarded a procurement contract under the recipient’s or subrecipient’s procurement standards and procedures.

Core Services – are services provided to adult and dislocated workers that include outreach, intake, worker profiling, and orientation to the information and other services available through the One-Stop Delivery System. See WIA sec 134 (d)(2) for a detailed list of core services.

Cost – means accrued expenditures.

Dislocated Worker – Dislocated Worker funding stream applies to participants 18 years of age or older who meet the definition at WIA sec. 101(9).

Eligible Training Providers – is a compilation of eligible providers identified or retained by local areas as described in WIA sec. 122. The list is maintained and disseminated by the State agency designated by the Governor. Eligible Training Providers will be removed from the list if they do not meet performance criteria, per WIA sec. 122(5).

Funding Period – means the period of time when WIA funds are available for expenditures. The expenditure period has been shortened for local areas to the year of obligation and the succeeding year, 20 CFR 667.107(b). The Statewide funds are available for expenditure during the year of obligation and two succeeding years, sec. 667.107(a).

Funding Streams – WIA formula funds allotted for services to youth, adults and/or dislocated workers must be accounted for separately, except at the State level, where the 15% reserve may be commingled. With the approval, local areas may transfer 20% between adult and dislocated workers funding streams.

Grant – means an award of WIA financial assistance by the U.S. Department of Labor to an eligible recipient.

Grantee - means the recipient of grant funds from the Department of Labor. A grantee may also be referred to as a recipient.

Incumbent worker – States may establish policies and definitions to determine which workers are eligible for incumbent worker services. An incumbent worker is an individual who is employed, but does not necessarily have to meet the eligibility requirements for intensive and training services for employed adults and dislocated workers.

Individual Training Accounts (ITAs) – are established on behalf of a participant, enabling the recipient to purchase training services from eligible providers he or she selects, in consultation with a case manager. ITAs must be used to pay for the training of eligible participants unless one of three exceptions exists, per WIA sec.134(d)(4)(G)(ii). The individual participant's employment plan, or State/Local Board policies will limit the amount of ITAs.

Intensive Services – per WIA 134(d)(3), are comprehensive and specialized assessments of the skill levels and services needs of eligible adults and dislocated workers, which may include—diagnostic testing and use of other assessment tools, in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals. Development of an individual employment plan, group counseling, individual counseling and career planning, case management for participants seeking training services, and short-term prevocational services.

Local Board/Local Workforce Development Board (LWDB) – means a local workforce investment board established under WIA sec. 117, to set policy for the local workforce investment system.

Local Workforce Investment Areas/New Mexico Workforce Development Areas (NMWDA's) – are areas within the State designated by the Governor per WIA sec. 116.

Obligation – means the amount of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a funding period that will require payment by the recipient or subrecipient during the same or a future period.

One-Stop Operator – means one or more entities designated by the local board, with the agreement of the chief elected official, under WIA sec. 121(d), as eligible to receive funds made available under WIA subtitle to operate a one-stop center.

One-Stop Partners – are entities that carry out WIA title I programs, and other programs as listed at WIA sec. 121(b)(1) and (2). The Local Board, with the agreement of the chief elected official, enters into memorandums of understanding between the local board and the one-stop partners, concerning the operation of the one-stop delivery system in the local area.

Out-of-School Youth – is an eligible youth who is a school dropout; or has either graduated from high school or holds a GED, but is basic-skills deficient, unemployed, or underemployed, WIA sec. 101(33). A minimum of 30% of youth funds allocated to a local area must be used for out-of-school youth, unless the local area qualifies for an exception per WIA 129(c)(4)(B).

Participant – means an individual who has registered under 20 CFR 663.105 and has been determined to be eligible to participate in, and who is receiving services (except for follow up services) under a program authorized by WIA title I. Participation commences on the first day, following determination of eligibility, on which the individual begins receiving core, intensive, training or other services provided under WIA title I.

Program Year – means the twelve month period beginning July 1<sup>st</sup> of the indicated year.

Recipient – means an entity to which a WIA grant is awarded directly from the Department of Labor to carry out a program under title I of WIA. The State is the

recipient of funds awarded under WIA secs. 127(b)(1)(C)(i)(II), 132(b)(1)(B) and 132(b)(2)(B).

Stand in Costs – means costs paid from non-federal sources which a recipient proposes to substitute for federal costs which have been disallowed as a result of an audit or other review. In order to be considered as valid substitutions, the costs (1) must have been reported by the grantee as uncharged program costs under the same Title and in the same year in which the disallowed costs were incurred and (2) must have been incurred in compliance with laws, regulations, and contractual provisions governing WIA.

State Board – means a State workforce investment board established under WIA sec. 111.

Subgrant – means an award of WIA financial assistance in the form of money, or property in lieu of money, made under a grant by a recipient to an eligible subrecipient. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract, but does not include procurement purchases from vendors, nor does it include any form of assistance received by program participants.

Subrecipients – means the legal entity to which a subgrant is awarded and which is accountable to the recipient (or higher tier subrecipient) for the use of the funds provided.

Supportive Services – means services such as transportation, child care, dependent care, housing, and needs-related payments, that are necessary to enable an individual to participate in activities authorized under and consistent with the Workforce Investment Act. See WIA sec 134(e)(2) and (3).

Training Services – are services provided to eligible adults and dislocated workers. Services include: occupational skills training; on-the-job training; programs that combine workplace training with related instruction, training programs operated by the private sector; skill upgrading and retraining; entrepreneurial training; job readiness training, adult education and literacy provided in combination with the above services; and customized training, WIA sec 134(d)(4).

Vendor – means an entity responsible for providing generally-required goods or services to be used in the WIA program. These goods or services may be for the recipient's, subrecipient's, or participant's use. Distinguishing characteristics of a vendor include items such as: providing the goods and services within normal business operations; providing similar goods or services to many different purchasers, including purchasers outside the WIA program; and operating in a competitive environment. A vendor is not a subrecipient and does not exhibit the distinguishing characteristics attributable to a subrecipient as defined above. Any entity directly involved in the delivery of program services not available to the general public, with the exception of an employer providing on-the-job training, shall be considered a subrecipient rather than a vendor.

Youth – WIA Youth funding stream applies to eligible youth as defined in WIA sec. 101 (13), an individual who is age 14 through 21, low income as defined in WIA sec. 101(25)

[5% exception WIA 129(c)(5)], and is within one or more of the following categories: deficient in basic literacy skills; school dropout; homeless, runaway, or foster child; pregnant or parenting; offender; or is an individual who requires additional assistance to complete an educational program, or to secure and hold employment, WIA sec, 101(13).

Youth Activity – means an activity described in WIA sec. 129, carried out for eligible youth.

## CHAPTER III

### Fiscal Requirements –

#### WIA Standardization of Information Systems -

WIA 185(c) requires that each State, each local board, and each recipient (other than a subrecipient, subgrantee, or contractor of a recipient) receiving funds under the WIA title will:

Make readily accessible such reports concerning its operations and expenditures as shall be prescribed by the U.S. DOL Secretary;

Prescribe and maintain comparable management information systems, in accordance with guidelines that shall be prescribed by the U.S. DOL Secretary, designed to facilitate the uniform compilation, cross tabulation, and analysis of programmatic, participant, and financial data, on statewide, local area, and other appropriate basis, necessary for reporting, monitoring, and evaluating purposes, including data necessary to comply with WIA 188 nondiscrimination requirements.

#### General Characteristics of Good Internal Controls -

The financial management systems established by each recipient and subrecipient shall ensure that their own financial systems as well as those of the sub-recipients provide fiscal controls and accounting procedures that are:

In accordance with Generally Accepted Accounting Principals (GAAP) and include:

- 1) information pertaining to subgrant and contract awards, obligations, unobligated balances, assets, expenditures, and income;
- 2) effective internal controls to safeguard assets and ensure their proper use;
- 3) a comparison of actual expenditures with budgeted amount for each subgrant and contract, by funding stream;
- 4) source documentation to support accounting records;
- 5) proper charging of cost and cost allocation

Sufficient to:

- 1) permit the preparation of required reports;
- 2) permit the tracing of funds to a level of expenditure adequate to establish that funds have not been used in violation of the applicable restrictions on the use of such funds;

- 3) demonstrate compliance with the administrative cost limitations of 10% of the amount allocated to the local area under WIA secs. 128(b) [Youth] and 133(b) [Adult & Dislocated Worker].
- 4) Demonstrate compliance with the requirement to expend a minimum of 30% of Youth program funds for out-of-school youth, WIA sec. 129(c)(4)(A).

While the recipient and subrecipient are not required to establish a new accounting system or subsystem to recover and maintain financial data relating to WIA expenditures and program income, the recipient and/or subrecipient accounting system must be capable of providing the financial information required. The recipient or subrecipient shall establish separate accounts within the existing record keeping system for recording WIA activities by funding stream. The primary objectives in accounting for WIA funds are:

- 1) to ensure that the record keeping system used provides separate identification of WIA assets, liabilities, fund balance, receipts, and disbursements, from other funds held by the entity.
- 2) to provide the summarization of financial information in a manner which facilitates the preparation of monthly reports: separation by funding streams, adult, dislocated worker, and youth; compliance with the 10% limit on local area administrative costs; and compliance with the 30% minimum expenditure requirement for out-of-school youth.

Standards for sound financial management include provision for accurate, current, and complete disclosure of financial results of each subrecipient or contractor, in accordance with reporting requirements. WIA fund recipients and subrecipients are not required to maintain accounting records under the accrual basis, however, financial statements are required to be presented on the accrual basis of accounting.

Reimbursements of current year expenditures are “deduction method” program income. They should be recorded in the accounting records as a reduction of the current year expenditure that they reimburse. Fee-for-service program income is “addition method” program income, and should be recorded in a revenue account.

WIA fund recipients and subrecipients must set up, and adhere to, good internal controls to properly manage WIA funds.

Good internal controls have the following objectives:

Effectiveness and efficiency of operations;

Reliability of financial reporting; and

Compliance with applicable laws and regulations.

Characteristics of good internal controls over federal funds are:

Transactions are properly recorded and accounted for to;

Permit the preparation of reliable financial statements and federal reports;

Maintain accountability over assets;

Demonstrate compliance with laws, regulations, and other compliance requirements;

Transactions are executed in compliance with

Laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a Federal program; and

Any other laws and regulations that are identified in the compliance supplement; and

Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

This involves segregation of duties among employees, where responsibility for recording transactions, is separated from the responsibility of safeguarding the assets.

### Procurement Controls

The recipient or subrecipient should develop purchasing procedures to ensure that only needed goods and services, of acceptable quality, are acquired, at the lowest possible cost, in compliance with the applicable Office of Management and Budget (OMB) Circular or Federal Register Part. Local Public Bodies of the State of New Mexico must comply with the Chapter 13 Public Purchases and Property, 1997 Replacement Pamphlet, 1998 Replacement Pamphlet, and the 1999 Cumulative Supplement. See the attached copy of the Procurement Code at the back of this manual. Purchasing internal controls and procedures must ensure all goods and services paid for are actually received, and that all applicable discounts, allowances and rebates are taken when payment is made.

Governments use OMB Circular A-87

Non-Profits use OMB Circular A-122

For-Profits use 48 CFR Part 31

Colleges/Universities use OMB Circular A-21

Hospitals use 45 CFR Part 74.

OMB Circulars are available at [www.whitehouse.gov/WH/EOP/OMB/html/circulars](http://www.whitehouse.gov/WH/EOP/OMB/html/circulars) or call 202-395-7332. Federal Codified Regulations are available at [www.access.gpo.gov](http://www.access.gpo.gov) or [www.dol.gov/dol/public/regs/cfr/main.htm](http://www.dol.gov/dol/public/regs/cfr/main.htm).

### Fixed Asset Controls

WIA recipients or subrecipients should prescribe and enforce internal controls over fixed assets purchased with WIA funds.

A fixed asset is an item that will last longer than a year, whose acquisition cost (net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired) is \$1000.01 or greater.

All fixed assets must be tagged upon receipt of the asset. Tags are available from General Services Bureau (GSB), Property Control 505-841-8307.

Local Workforce Development Areas (LWDA's) will keep a control log of all fixed assets purchased with WIA funds. A copy of the control log will be provided to JTD and General Services Bureau, NMDOL. A sample control log is available in the back of this guide.

Procedures must include provision for an annual inventory of the fixed assets, with an updated copy of the control log being sent to JTD and GSB.

Any Fixed Asset disposition must be coordinated through the General Services Bureau and the Job Training Division of NMDOL.

Internal control policies and procedures must include the means to accurately track performance measurement data.

Performance Measures

Local Area Performance Indicators 20 CFR 666.100(a)

Core indicators of performance (Governor may apply additional indicators WIA sec. 136(c)(1).

Adult

Entry into unsubsidized employment

Retention in unsubsidized employment six months after entry into the employment

Earnings received in unsubsidized employment six months after entry into the employment

Attainment of a recognized credential related to achievement of educational skills, or occupational skills, by participants who enter unsubsidized employment.

Dislocated Worker Program

Entry into unsubsidized employment

Retention in unsubsidized employment six months after entry into the employment

Earnings received in unsubsidized employment six months after entry into the employment

Attainment of recognized credential related to achievement of educational skills

Youth

Ages 14 through 18

Attainment of basic skills, and as appropriate, work readiness or occupational skills

Attainment of secondary school diplomas and their recognized equivalents

Placement and retention in postsecondary education, advanced training, military service, employment, or qualified apprenticeships.

Ages 19 through 21

Entry into unsubsidized employment

Retention in unsubsidized employment six months after entry into the employment

Earnings received in unsubsidized employment six months after entry into the employment

Attainment of a recognized credential related to achievement of educational skills, or...

Customer satisfaction measure for employers and participants, WIA sec. 136(b)(2)

Performance indicators required in the State Plan are the same as above.

### Audit Requirements

Recipients and subrecipients must have an annual audit in accordance with OMB Circular A-133 [20 CFR 667.200(b)].

Non-Federal entities that expend \$300,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of A-133 Subpart B.

If the non-federal entity expends less than \$300,000, the pass-through entity can charge federal awards for the cost of limited scope audits to monitor its subrecipients, provided the subrecipient does not have a single audit. Limited scope audits only include agreed-upon procedures engagements conducted in accordance with either the AICPA's generally accepted auditing standards or attestation standards, that are paid for and arranged by a pass-through entity and address only one or more of the following types of compliance requirements: activities allowed or unallowed; allowable costs/ cost principles; eligibility; matching, level of effort earmarking; and reporting. [OMB Circular A-133 .230]

### Compliance Controls

Recipients and subrecipients must comply with the Workforce Investment Act, related regulation requirements, applicable Model Accounting Practices (MAPs) from the C-FRAS Policies and Procedures Manual, IRS and NM Tax and Revenue laws. Some of the compliance requirements are:

#### Cash Receipts and Revenues

Cash Receipts Procedures (MAPs I-3A-6 to 7)

Log or receipt all moneys at the time of receipt

Account for all receipts

Place a restrictive endorsement on all checks at the time of receipt

Deposit all receipts by the close of the next business day after receipt

Promptly reconcile the accounting records to the monthly bank statement

#### Revenues

Record any amounts due to the entity for services rendered [20 CFR 663.145(b)(ii)] or from

Properly record and collect any Pell Grant proceeds that may be due from participants. [WIA sec. 134(d)(4)(B)(ii), 20 CFR 663.320(c)]

Properly record and collect funds from ineligible service providers who have a liability for not complying with legal requirements (20 CFR 663.565).

Properly record any chargebacks for insufficient funds, etc. as receivables (MAPs I-3A-16.)

Maintain detail accounts receivable ledgers (MAPs I-3B-11)

Regularly reconcile detail receivables to General Ledger Account

Make every effort possible to collect all accounts receivable (MAPs I-3B-11)

To ensure that resources are expended only for authorized purposes, disbursements should be made on sequentially numbered checks or by a tightly controlled petty cash imprest fund. All checks should be accounted for and recorded in the entity accounting system. When the petty cash fund is replenished, all expenditures must be properly recorded in the accounting system.

Adequate Documentation of Expenditures must be maintained in accordance with the recipient or subrecipient policy and procedures.

To establish obligations, Requests For Proposals (RFP's), contracts, competitive bids, and purchase order copies should be maintained.

Staff time and attendance records and approvals of salary amounts must support payroll expenditures.

Expenditures for goods and services must be supported by records or logs of activity (trip reports), delivery receipts and/or invoices, RFP's, purchase order copies, payment vouchers, and canceled checks.

#### Expenditure Authorization Issues

Petty cash funds should be limited in use to purchases of \$25.00 or less. The total of the imprest amount should not exceed \$100.00 (MAPs I-6-6).

Only eligible participants can benefit from program expenditures. Controls to properly screen and document eligibility of participants must be functioning (20 CFR 663.105 to 663.120 and 664.200 to 664.250).

Grant recipients shall maintain standardized records for all participants, WIA 185 (a)(3). Eligible participants ages 18 through 21 may be concurrently enrolled as an adult and a youth 20 CFR 664.500. Local program operators must identify and track the funding streams that pay the costs of services provided to these individuals [664.500(c)].

Ensure that only service providers on the List of Eligible Service Providers are used (20 CFR 663.500 to 663.565).

Allowable administrative costs are described at (20 CFR 667.220).

Prohibited expenditures are listed at (20 CFR 667.260 through 667.268).

#### c) Expenditure Limitation Issues

Determine sufficiency of budget, by funding stream, adult, dislocated worker, or youth, before committing to obligations (MAPs I-6-8), (20 CFR 663), and youth (20 CFR 664.400 to 664.470).

Transfers must be approved and allowable, (20 CFR 667.140).

Set up controls to ensure that supportive service limits are not exceeded (20 CFR 663.810).

Set up controls to ensure that Individual Training Account limits are not exceeded (20 CFR 663.420).

Youth program funds must meet the 30% minimum expenditures for out-of-school participants (20 CFR 664.320).

Administrative expenditure limits.

The local area administrative funds may be commingled by funding stream, but cannot exceed the 10% limit (20 CFR 667.220).

Administrative expenditures not subject to the 10% limit must meet other requirements, [20 CFR 667.210(c)].

#### 3) Payroll compliance Issues

a) All payroll expenditures must be made in compliance with Internal Revenue Service requirements for federal withholding, FICA employee withholding, employer match, and 941 reporting requirements. Any applicable New Mexico Tax and Revenue requirements for withholding, payment and reporting must also be met.

b) Workers' compensation must be secured for participants in work experience, 20 CFR 667.274.

c) Participant wage and labor standards 20 CFR 667.272(a)(b).

#### 4) Cash Management Issues

- a) All procurement contracts and other transactions between Local Boards and units of State or local governments must be conducted only on a cost reimbursement basis. No provision for profit is allowed [20 CFR 667.200(a)(3)].
  - b) It is the responsibility of NMDOL and Local governments to limit subrecipient excess-cash-on-hand to no more than immediate cash needs. [U.S. Treasury Circular 1075].
- 5) Other Compliance Issues
- a) Each recipient and subrecipient should review the applicable OMB Circular or Federal Regulation listed above for additional compliance issues [20 CFR 667.200(c)].
  - b) All WIA grant recipients and subrecipients must comply with these additional requirements
    - i) Government-wide requirements related to debarment and suspension, drug-free workplace, 20 CFR 667.20(d)
    - ii) Restriction on Lobbying, 20 CFR 667.200(e)
    - iii) Nondiscrimination and EEOC provisions of WIA sec 188 [20 CFR 667.200(f)]
    - iv) Nepotism restrictions, 20 CFR 667.200(g)
  - c) Procedures must ensure compliance with WIA 189 (h) Enforcement of Military Selective Service Act.

#### Record Retention Issues

Retention and access requirements for recipient and subrecipient records are based on 29 CFR 97.42. Each grant recipient and subrecipient must retain all WIA related records for a period of three years, after submitting the final expenditure report to the awarding agency, for a funding period. See Chapter XIV for further details.

## CHAPTER IV

### Cost Principles

#### General

All recipients and subrecipients must follow the Federal allowable cost principles that apply to their kind of organizations 20 CFR 667.200(c). The U. S. Department of Labor (DOL) regulations at 29 CFR 95.27 and 29 CFR 97.22 identify the Federal principles for determining allowable costs which each kind of recipient and subrecipient must follow.

#### 29 CFR 97.22

Grant funds may be used only for:

Allowable costs of the grantee, subgrantees and cost-type contractors, including allowable costs in the form of payments to fixed-price contractors; and

Reasonable fee or profit to cost-type contractors but not any fee or profit (or other increment above allowable costs) to the grantee or subgrantee

For each kind of organization, there is a set of Federal principles for determining allowable costs. Allowable costs will be determined in accordance with the cost principles applicable to the organization incurring the costs. The following list shows the kinds of organizations and the applicable cost principles.

State, local, and Indian tribal government organizations use OMB Circular A-87

Non-Profit organizations use OMB Circular A-122

For-Profit organizations use 48 CFR Part 31

Colleges/Universities use OMB Circular A-21

Hospitals use 45 CFR Part 74

Contact [www.whitehouse.gov/WH/EOP/OMB/html/circulars](http://www.whitehouse.gov/WH/EOP/OMB/html/circulars) for OMB Circulars, or call 202-395-7332. Federal Codified Regulations are available at [www.access.gpo.gov](http://www.access.gpo.gov) or [www.dol.gov/dol/public/regs/cfr/main.htm](http://www.dol.gov/dol/public/regs/cfr/main.htm).

In addition to the allowable cost provisions identified above, the cost of information technology – computer hardware and software – will only be allowable under WIA grants when such computer technology is “Year 2000 compliant.” To meet this requirement, information technology must be able to accurately process date/time (including, but not limited to, calculating, comparing and sequencing) from into and between the twentieth and twenty-first centuries, and the years 1999 and 2000. The information technology must also be able to make leap year calculations. Furthermore, “Year 2000 compliant” information technology, when used in combination with other information technology, must accurately process date/time data if the other information technology properly exchanges date/time with it.

Costs must meet the following general criteria:

Be necessary and reasonable for proper and efficient administration of the grant program, be allowable thereto under the applicable principles, and except as specifically provided in the applicable OMB Circulars, and Federal Regulations, not be a general expense required to carry out the overall responsibilities of the entity.

Be authorized and not prohibited under State and local laws or regulations

Conform to any limitations or exclusions set forth in the applicable OMB Circulars, Federal Regulations, Federal laws, or other governing limitations, including contract provisions, as to types or amounts of cost items.

Be consistent with policies, regulations, and procedures that apply uniformly to both Federally-assisted and other activities of the recipient or subrecipient

Be adequately documented

Be accorded consistent Generally Accepted Accounting Principles (GAAP) treatment, appropriate to the entity type and expenditures circumstances

Not be allocated to, or included as a cost of any other Federally financed program in the current, or any other period.

Be net of all applicable credits

### Classifications of Costs - Administration or Program

WIA functions and activities (20 CFR 667.220) that constitute the costs of administration subject to the administrative cost limits are:

Costs of administration that are the allocable portion of necessary and allowable costs that are associated with the overall management and administration of the workforce investment system and which are not related to the direct provision of Employment and Training Services. These costs can be both personnel and non-personnel and both direct and indirect.

The Memorandum of Understanding (MOU) signed by each One Stop Partner must describe the particular funding arrangements for services and operating costs of the One-Stop delivery system. Each partner must contribute a fair share of the operating costs of the One-Stop delivery system proportionate to the use of the system by individuals attributable to the partner's program. There are a number of methods, consistent with the requirements of the relevant OMB circulars, which may be used for allocating costs among the partners. Some of these methodologies include allocations based on direct charges, cost pooling, indirect cost rates and activity-based cost allocation plans, 20 CFR 662.270.

The costs of administration include the costs associated with performing the responsibilities of the State and Local Workforce Investment Boards and of chief elected officials or boards of chief elected officials required for the local public/private partnership. Some of those responsibilities are identified in WIA secs. 111(d), 116, 117(d), (e) & (h)(4), and 121(a), such as:

Performing overall general administrative functions and coordination of those functions under the WIA including [ **Per 12/10/99 ICESA Bulletin, 20 CFR 667.220 will probably change, making program planning a non-administration cost, refer to the latest version of 20 CFR**]:

Preparing program plans, budgets, related schedules, and amendments or modifications thereto;

Negotiating MOUs [**probably will change, refer to the latest version of 20 CFR 667.220**] and awarding specific subgrants, contracts, and purchase orders through appropriate procurement processes,

Conducting public relations activities which are not related to program outreach [**probably will change, refer to the latest version of 20 CFR 667.220**]

Developing systems and procedures, including information systems for assuring compliance with program requirements, except  
Those needed for tracking and monitoring of WIA program, participant, or performance requirements; or  
For collecting, storing and disseminating information under the core services provisions at WIA secs. 134 (d)(2)(E), (F), (G), (H) and (I) and information necessary to comply with WIA sec. 188 (Nondiscrimination) and its implementing regulations  
Coordinating the resolution of findings arising from audits, reviews, investigations and incident reports, and  
Performing administrative services, including such services as general legal services, financial management and accounting services, audit services; and managing purchasing, property, payroll, and personnel;  
Performing oversight responsibilities including monitoring of WIA programs, projects and subrecipients, and related systems and processes for compliance with program requirements,  
Costs for goods and services required for administration of the program, including goods and services such as rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space;  
Costs of organization-wide management functions;  
Travel costs incurred for official business in carrying out administrative activities or the overall management of the WIA system; and  
Costs of information systems not related to the tracking and monitoring of WIA program, participant, or performance requirements; or for collecting, storing and disseminating information under the core services provisions at secs. 134(d)(2)(E), (F), (G), (H) and (I) of the Act, (for example, personnel, accounting and payroll systems).

#### Administrative versus Program Costs

That portion of the costs of One-Stop operators, which are associated with the performance of the administrative functions described above are, classified as administrative costs. That portion of the costs of one-stop operators, which are associated with the direct provision of employment and training services, are classified as program costs.

Personnel and related non-personnel costs of the recipient's or subrecipient's staff, including project directors, who perform both administrative and programmatic services or activities may be allocated as administrative or program costs to the benefiting cost objectives/categories based on documented distributions of actual time worked or other equitable cost allocation methods.

Costs of staff who provide program services directly to participants and, where applicable, the first line supervisors and/or team leaders responsible for those staff are classified as a program cost.

Specific costs charged to an overhead or indirect cost pool that can be identified directly as a program cost may be charged as a program cost. Documentation of such charges must be maintained.

The costs of contracts, whether fixed price or cost reimbursement, awarded for the purpose of obtaining specific goods or services may be charged to the administration or program category based on the purpose for which the contract was awarded.

The following information systems and data entry costs are charged to the program category

Tracking or monitoring of participant and performance information;

Employment statistics information, including job listing information, job skills information, and demand occupation information;

Performance and program cost information on eligible providers of training services, youth activities, and appropriate education activities;

Local area performance information; and

Information relating to supportive services and unemployment insurance claims for program participants;

Continuous improvement activities are charged to administration or program category based on the purpose or nature of the activity to be improved. Documentation of such changes must be maintained.

### Program Costs – By Funding Stream

#### 1) ADULT FUNDING STREAM

##### a) Eligibility

18 years of age or older

Displaced homemakers who had been dependent on public assist

SERVICES PROVIDED (Appropriate Mix determined by Local Boards)

CORE SERVICES (through One-Stop)

Core Services Consists of

A minimum of services described in WIA sec. 134(d)(2) and 20 CFT 662.220 in each local area.

The initial assessment determines the individual's skill levels, aptitudes, and supportive services needs.

The job search and placement assistance helps the individual determine whether he or she is unable to obtain employment.

Follow up services must be made available for a minimum of 12 months following the first day of employment, to registered participants who are placed in unsubsidized employment.

Core services must include provision of accurate information about the availability of supportive services in the local area, and referral to such services.

How Core services are provided

Through the One-Stop delivery system.

Directly by the One-Stop operator **or**

Through contracts with services providers approved by the Local Board.

The Local board may only be a provider of core services when approved by the chief elected official and Governor in accordance with WIA sec. 117(f)(2) and 20 CFR 661.335.

Follow up services must be made available for a minimum of 12 months following the first day of employment, to registered participants who are placed in unsubsidized employment

INTENSIVE SERVICES (through One-Stop)

Prerequisites for Intensive Services

Individual must receive at least one core service before receiving intensive services. There is no federally-required minimum time period for participation in core services before receiving intensive services.

Determination of the need for intensive services must be contained in the participant's case file.

Refer to the State policy regarding who is an "incumbent worker" for Statewide workforce investment activities.

#### Eligibility for Intensive Services

Unable to obtain employment through core services, determined by a One-Stop operator to be in need of more intensive services to obtain employment

Employed, have received core services, and are determined by a One-Stop operator to be in need of intensive services to obtain or retain employment that leads to self-sufficiency, as described in sec. 663.230.

#### Definition of Self-Sufficiency

State Boards or Local Boards must set the criteria for determining whether employment leads to self-sufficiency.

At a minimum, such criteria must provide that self-sufficiency means employment that pays at least the lower living standard income level, as defined in WIA sec. 101(24). Self-sufficiency for a dislocated worker may be defined in relation to a percentage of the layoff wage.

#### Definition of Intensive Services

Intensive services are listed in WIA sec. 134(d)(3)(C). The list in the Act is not all-inclusive and other intensive services, such as out-of-area job search assistance, relocation assistance, internships, and work experience may be provided, based on an assessment or individual employment plan.

Work experience is a planned, structured learning experience that takes place in a workplace for a limited period of time. It may be paid or unpaid, as appropriate. A work experience workplace may be in the private for profit sector, the non-profit sector, or the public sector.

#### Development of an individual employment plan with a case manager

This is an ongoing strategy jointly developed by the participant and the case manager that identifies the participant's employment goals, the appropriate achievement objectives, and the appropriate combination of services for the participant to achieve the employment goals.

#### Individual counseling and career planning

#### How Intensive Services are delivered

Through the One-Stop delivery system, services may be provided directly by the One-Stop operator or through contracts with service providers that are approved by the Local Board.

The Local Board may only be a provider of intensive services when approved by the chief elected official and the Governor

#### TRAINING SERVICES (through One-Stop) Prerequisites for Services

Individual must have received at least one intensive service such as development of employment plan or individual counseling and career planning.

Case file must contain a determination of need for training services, as identified in the individual employment plan, comprehensive assessment, or through any other intensive service received.

There is no federally-required minimum time period for participation in intensive services before receiving training services.

#### Definition of Training Services

Training Services are listed in WIA sec. 134(d)(4)(D)

#### Eligibility for Training Services

Employed and unemployed adults and dislocated workers who

Have met the eligibility requirement for intensive services, have participated in the preparation of an individual employment plan and are unable to obtain or retain employment through such services and

Have been determined by a One-Stop operator or One-Stop partner, to be in need of training services and to have the skills and qualifications to successfully complete the selected training program.

Select a program of training services that is directly linked to the employment opportunities either in the local area or in another area to which the individual is willing to relocate.

Are unable to obtain grant assistance from other sources to pay the costs of such training, including Federal Pell Grants, or require WIA assistance in addition to other sources of grant assistance, including Federal Pell Grants, WIA sec. 134(d)(4)(B).

Program operators must coordinate training funds available and make funding prearrangements with One-Stop partners and other entities to apply WIA funding limitations.

Participant may enroll in WIA-funded training while his/her application for a Pell Grant is pending as long as the One-Stop operator has made pre-arrangements with the subsequently awarded.

In that case, the training provider must reimburse the One-Stop operator the WIA funds used to underwrite the training for the amount of the Pell Grant that covers. Reimbursement is not required from the portion of Pell Grant Assistance disbursed to the WIA participant for education-related expenses. [WIA sec. 134(d)(4)(B).]

Adult funding stream participants are determined eligible in accordance with the State and local priority system, if any, in effect for adults under WIA sec. 134(d)(4)(E) and 663.60

663.60 relates to priority that must be given to low-income adults and public assistance recipients served with adult funds.

Disabled individual can exclude family income to meet eligibility criteria, 663.64.

Refer to the State policy on the definition of an “incumbent worker.”

MECHANISMS used to provide training services

**Contracts** may be used only when one of these three exceptions applies, otherwise, ITA’s apply:

When the services provided are on-the-job training (OJT) or customized training.

When the Local Board determines that there are an insufficient number of eligible providers in the local area to accomplish the purpose of a system of ITA’s. The Local Plan must describe the process to be used in selecting the providers under a contract for services. This process must include a public comment period for interested providers of at least 30 days.

When the Local Board determines that there is a training services program of demonstrated effectiveness offered in the area by a community-based organization (CBO) or another private organization to serve special participant populations that face multiple barriers to employment. The Local Board must develop criteria to be used in determining demonstrated effectiveness, particularly as it applies to the special participant population to be served. Criteria may include:

Financial stability of the organization

Demonstrated performance in measures appropriate to the program including program completion rate; attainment of the skills, certificates or degrees the program is designed to provide; placement after training in unsubsidized employment; and retention in employment; and

How the specific program relates to the workforce investment needs identified in the local plan.

Special Participant populations that face multiple barriers to employment are populations of low-income individuals included in one or more of the following categories:

Substantial language or cultural barriers

Offenders

Homeless individuals

Other hard-to-serve populations defined by the Governor.

Individual Training Accounts (ITA)

Definition of ITA's

ITA's are established on behalf of a participant, enabling the recipient to purchase training services from eligible providers they select, in consultation with the case manager. Except under the three conditions described in WIA sec. 134(d)(4)(G)(ii) and 663.430(a) [Contracts], the ITA is established to finance training services.

Exceptions to ITA's

Services are on-the-job training provided by an employer or customized training

The local board determines there are an insufficient number of eligible providers of training services in the local area involved (such as a rural area) to accomplish the purposes of a system of individual training accounts, or

The local board determines that there is a training services program of demonstrated effectiveness offered in the local area by a community-based organization or another private organization to serve special participant populations that face multiple barriers to employment.

ITA Payment methods

Electronic transfer of funds through financial institutions

Vouchers

Other appropriate methods

Payments may be made incrementally through payment of a portion of the costs at different points in the training course.

Limits to ITA's

The individual employment plan may identify the participant ITA limit.

The State Board or Local Board may establish a policy with a range or amounts and/or a maximum amount applicable to all ITA's.

Such policy limitations must be developed in the State or Local Plan.

#### ELIGIBLE PROVIDERS

Local Boards in partnership with the State, identify training providers whose performance qualifies them to receive WIA funds to train adults and dislocated workers.

Individuals may choose any of the eligible providers on the State list

A State may also establish a reciprocal agreement with another State to permit eligible providers of training services in each State to accept individual training accounts provided in the other State.

Each Local Board must make available to customers, through the One-Stop center, the State list of eligible providers required in WIA sec. 122(3)

The list includes a description of the programs through which the providers may offer the training services, the information identifying eligible providers of on-the-job training and customized training required under WIA sec. 122(h), and the performance and cost information about eligible providers of training services described.

Supplemental information per 663.575.

The designated State agency must disseminate the State list and accompanying performance and cost information to the One-Stop delivery systems within the State.

The State list and information must be updated at least annually.

Types of Providers

Community-based Organization (CBO) – May apply and be determined eligible under WIA sec. 122 and 663.590

OJT and Customized Training Providers

One-Stop operators in a local area must collect such performance information as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require. Providers determined to meet the criteria are not subject to the other requirements of WIA sec. 122.

Loss of eligibility due to intentional inaccurate information or subsequent violation of any enforcement provision of title I of WIA, or the related regulations would make such a **provider liable to repay** all adult and dislocated worker training funds received during the period of noncompliance.

DISCRETIONARY SERVICES (optional) One-Stop activities

Customized screening and referral of qualified participants in training services to employment

Customized employment-related services to employers on a fee-for-service basis that are in addition to labor exchange services available to employers under the Wagner-Peyser Act.

Supportive services, including need-related payments supportive services WIA secs. 101(46) and 134(e)(2) and (3). Based on Local Board policy made in consultation with One-Stop partners and other community services providers, that ensures resource and service coordination in the local area.

Eligibility for Supportive Services

Available only to individuals who are in Core, Intensive, or Training Services who are unable to obtain supportive services through other programs per WIA sec. 134(e)(2)(A) and (B).

Supportive services may only be provided when they are necessary to enable individuals to participate in Title I activities, per WIA sec. 101(46).

**Adults must:**

**Be unemployed**

**Not qualify for, or have ceased qualifying for, unemployment compensation; and**

**Be enrolled in a program of Training Services under WIA sec. 134(d)(4).**

Limitations on Supportive Services

Local Boards may establish limits, or provide the One-Stop operator with the authority to establish such limits, including a maximum amount of funding and maximum length of time for supportive services to be available for participants.

Procedures may also be established to allow One-Stop operators to grant exceptions to the limits established under limitation policies.

**Level of Needs-Related Supportive Payment Determination – For adults must be established by the Local Board.**

DISLOCATED WORKER FUNDING STREAM

Eligibility

i) 18 years of age or older

ii) Meet criteria at WIA sec. 101(9)

(1) Local Board and/or Governor policies and procedures should explain what constitutes

(2) A “general announcement of plant closing”

(3) “unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters

**iii) Dislocated homemakers who had been dependent on the income of another family member, per WIA sec. 101(10)**

b) SERVICES PROVIDED (Appropriate Mix determined by Local Boards)

i) CORE SERVICES (through One-Stop)

(1) Core Services Consists of

(a) A minimum of services described in WIA sec. 134(d)(2) and 20 CFT 662.220 in each local area.

(b) The initial assessment determines the individual’s skill levels, aptitudes, and supportive services needs.

(c) The job search and placement assistance helps the individual determine whether he or she is unable to obtain employment.

(2) Follow up services must be made available for a minimum of 12 months following the first day of employment, to registered participants who are placed in unsubsidized employment.

(3) Core services must include provision of accurate information about the availability of supportive services in the local area, and referral to such services.

(4) How Core services are provided

Through the One-Stop delivery system.

Directly by the One-Stop operator **or**

Through contracts with services providers approved by the Local Board.

The Local board may only be a provider of core services when approved by the chief elected official and Governor in accordance with WIA sec. 117(f)(2) and 20 CFR 661.335.

**INTENSIVE SERVICES (through One-Stop)**

Prerequisites for Intensive Services

Individual must receive at least one core service before receiving intensive services.

There is no federally-required minimum time period for participation in core services before receiving intensive services.

Determination of the need for intensive services must be contained in the participant’s case file.

Eligibility for Intensive Services

Unable to obtain employment through core services, determined by a One-Stop operator to be in need of more intensive services to obtain employment

Employed, have received core services, and are determined by a One-Stop operator to be in need of intensive services to obtain or retain employment that leads to self-sufficiency, as described in sec. 663.230.

Definition of Self-Sufficiency

State Boards or Local Boards must set the criteria for determining whether employment leads to self-sufficiency.

At a minimum, such criteria must provide that self-sufficiency means employment that pays at least the lower living standard income level, as defined in WIA sec. 101(24). Self-sufficiency for a dislocated worker may be defined in relation to a percentage of the layoff wage.

Refer to the State policy definition of an “incumbent worker.”

#### Definition of Intensive Services

Intensive services are listed in WIA sec. 134(d)(3)(C). The list in the Act is not all-inclusive and other intensive services, such as out-of-area job search assistance, relocation assistance, internships, and work experience may be provided, based on an assessment or individual employment plan.

Work experience is a planned, structured learning experience that takes place in a workplace for a limited period of time. It may be paid or unpaid, as appropriate. A work experience workplace may be in the private for profit sector, the non-profit sector, or the public sector.

#### Development of an individual employment plan with a case manager

This is an ongoing strategy jointly developed by the participant and the case manager that identifies the participant’s employment goals, the appropriate achievement objectives, and the appropriate combination of services for the participant to achieve the employment goals.

#### Individual counseling and career planning

#### How Intensive Services are delivered

Through the One-Stop delivery system, services may be provided directly by the One-Stop operator or through contracts with service providers that are approved by the Local Board.

The Local Board may only be a provider of intensive services when approved by the chief elected official and the Governor.

#### TRAINING SERVICES (through One-Stop)

#### Prerequisites for Training Services

Individual must have received at least one intensive service such as development of employment plan or individual counseling and career planning.

Case file must contain a determination of need for training services, as identified in the individual employment plan, comprehensive assessment, or through any other intensive service received.

There is no federally-required minimum time period for participation in intensive services before receiving training services.

#### Definition of Training Services

Training Services are listed in WIA sec. 134(d)(4)(D)

#### Eligibility for Training Services

Employed and unemployed adults and dislocated workers who

Have met the eligibility requirement for intensive services, have participated in the preparation of an individual employment plan and are unable to obtain or retain employment through such services and

Have been determined by a One-Stop operator or One-Stop partner, to be in need of training services and to have the skills and qualifications to successfully complete the selected training program.

Select a program of training services that is directly linked to the employment opportunities either in the local area or in another area to which the individual is willing to relocate.

Are unable to obtain grant assistance from other sources to pay the costs of such training, including Federal Pell Grants, or require WIA assistance in addition to other sources of grant assistance, including Federal Pell Grants, WIA sec. 134(d)(4)(B).

Program operators must coordinate training funds available and make funding prearrangements with One-Stop partners and other entities to apply WIA funding limitations.

Participant may enroll in WIA-funded training while his/her application for a Pell Grant is pending as long as the One-Stop operator has made pre-arrangements with the subsequently awarded.

In that case, the training provider must **reimburse** the One-Stop operator the WIA funds used to underwrite the training for the amount of the Pell Grant that covers. Reimbursement is not required from the portion of Pell Grant Assistance disbursed to the WIA participant for education-related expenses. [WIA sec. 134(d)(4)(B).]

Statutory priority for low-income and public assistance recipients **does not** apply to the dislocated workers funding stream 663.610.

Refer to the State policy for the definition of an “incumbent worker”.

MECHANISMS used to provide training services

**Contracts** may be used only when one of these three exceptions applies:

When the services provided are on-the-job training (OJT) or customized training.

When the Local Board determines that there are an insufficient number of eligible providers in the local area to accomplish the purpose of a system of ITA’s. The Local Plan must describe the process to be used in selecting the providers under a contract for services. This process must include a public comment period for interested providers of at least 30 days.

When the Local Board determines that there is a training services program of demonstrated effectiveness offered in the area by a community-based organization (CBO) or another private organization to serve special participant populations that face multiple barriers to employment. The Local Board must develop criteria to be used in determining demonstrated effectiveness, particularly as it applies to the special participant population to be served. Criteria may include:

Financial stability of the organization

Demonstrated performance in measures appropriate to the program including program completion rate; attainment of the skills, certificates or degrees the program is designed to provide; placement after training in unsubsidized employment; and retention in employment; and

How the specific program relates to the workforce investment needs identified in the local plan.

Special Participant populations that face multiple barriers to employment are populations of low-income individuals included in one or more of the following categories:

Substantial language or cultural barriers

Offenders

Homeless individuals

Other hard-to-serve populations defined by the Governor.

Individual Training Accounts (ITA)

Definition of ITA’s

ITA’s are established on behalf of a participant, enabling the recipient to purchase training services from eligible providers they select, in consultation with the case manager. Except under the three conditions described in WIA sec. 134(d)(4)(G)(ii) and 663.430(a) [Contracts], the ITA is established to finance training services.

#### Exceptions to ITA's

Services are on-the-job training provided by an employer or customized training

The local board determines there are an insufficient number of eligible providers of training services in the local area involved (such as a rural area) to accomplish the purposes of a system of individual training accounts, or

The local board determines that there is a training services program of demonstrated effectiveness offered in the local area by a community-based organization or another private organization to serve special participant populations that face multiple barriers to employment.

#### ITA Payment methods

Electronic transfer of funds through financial institutions

Vouchers

Other appropriate methods

Payments may be made incrementally through payment of a portion of the costs at different points in the training course.

#### Limits to ITA's

The individual employment plan may identify the participant ITA limit.

The State Board or Local Board may establish a policy with a range or amounts and/or a maximum amount applicable to all ITA's.

Such policy limitations must be developed in the State or Local Plan.

#### ELIGIBLE PROVIDERS

Local Boards in partnership with the State, identify training providers whose performance qualifies them to receive WIA funds to train adults and dislocated workers.

Individuals may choose any of the eligible providers on the State list.

A State may also establish a reciprocal agreement with another State to permit eligible providers of training services in each State to accept individual training accounts provided in the other State.

Each Local Board must make available to customers, through the One-Stop center, the State list of eligible providers required in WIA sec. 122(3).

The list includes a description of the programs through which the providers may offer the training services, the information identifying eligible providers of on-the-job training and customized training required under WIA sec. 122(h), and the performance and cost information about eligible providers of training services described.

Supplemental information per 663.575.

The designated State agency must disseminate the State list and accompanying performance and cost information to the One-Stop delivery systems within the State.

The State list and information must be updated at least annually.

#### Types of Providers

Community-based Organization (CBO) – May apply and be determined eligible under WIA sec. 122 and 663.590

#### OJT and Customized Training Providers

One-Stop operators in a local area must collect such performance information as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require. Providers determined to meet the criteria are not subject to the other requirements of WIA sec. 122.

Loss of eligibility due to intentional inaccurate information or subsequent violation of any enforcement provision of title I of WIA, or the related regulations would make such a

**provider liable to repay** all adult and dislocated worker training funds received during the period of noncompliance.

DISCRETIONARY SERVICES (optional) One-Stop activities

Customized screening and referral of qualified participants in training services to employment

Customized employment-related services to employers on a fee-for-service basis that are in addition to labor exchange services available to employers under the Wagner-Peyser Act.

Supportive services, including need-related payments supportive services WIA secs. 101(46) and 134(e)(2) and (3). Based on Local Board policy made in consultation with One-Stop partners and other community services providers, that ensures resource and service coordination in the local area.

Eligibility for Supportive Services

Available only to individuals who are in Core, Intensive, or Training Services who are unable to obtain supportive services through other programs per WIA sec. 134(e)(2)(A) and (B).

Supportive services may only be provided when they are necessary to enable individuals to participate in Title I activities, per WIA sec. 101(46).

Dislocated Workers must:

**Be unemployed**

**Have ceased to qualify for unemployment compensation or trade readjustment assistance under TAA or NAFTA-TAA; and**

**Be enrolled in a program of training services under WIA sec. 134(d)(4) by the end of the 13<sup>th</sup> week after the most recent layoff that resulted in a determination of the worker's eligibility as a dislocated worker, or, if later, by the end of the 8<sup>th</sup> week after the worker is informed that a short-term layoff will exceed 6 months; or**

**Be unemployed and did not qualify for unemployment compensation or trade readjustment assistance under TAA or NAFTA-TAA.**

Limitations on Supportive Services

Local Boards may establish limits, or provide the One-Stop operator with the authority to establish such limits, including a maximum amount of funding and maximum length of time for supportive services to be available for participants.

Procedures may also be established to allow One-Stop operators to grant exceptions to the limits established under limitation policies.

Level of Needs-Related Supportive Payment Determination for Dislocated Workers

**Payments must not exceed the greater or either the following levels:**

**For participants who were eligible for unemployment compensation as a result of the qualifying dislocation, the payment may not exceed the applicable weekly level of unemployment compensation benefit; or**

**For participants who did not qualify for unemployment compensation as a result of the qualifying layoff, the weekly payment may not exceed the poverty level for an equivalent period. The weekly payment level must be adjusted to reflect changes in total family income as determined by Local Board policies per WIA sec. 134(e)(3)(C).**

YOUTH FUNDING STREAM

Eligibility

14 through 21 years of age

Low income as defined in WIA sec. 101(25) **and**

Exception to low-income requirements for up to **5% of youth** participants, provided they are within one or more of the following categories

School dropout

Defined as an individual who is no longer attending any school and who has not received a secondary school diploma or its recognized equivalent.

A youth attending an alternative school is not a dropout [**May change see latest 20 CFR**].

Basic skills deficient WIA sec. 101(4)

One or more grade levels below the grade level appropriate to the individual's age

Pregnant or parenting

Possess one or more disabilities, including learning disabilities

Homeless or runaway

Offender

Face serious barriers to employment as identified by the Local Board, WIA sec. 129(c)(5).

Low Income requirements for Disabled Youth

Even if the family of a disabled youth does not meet the income eligibility criteria, the disabled youth is to be considered a low-income individual if the youth's own income

Meets the income criteria established in WIA sec. 101(25)(B)

Meets the income eligibility criteria for cash payments under any Federal, State or local public assistance program

Participant falls within one or more of the following categories

Deficient in basic literacy skills

School dropout

Defined as an individual who is no longer attending any school and who has not received a secondary school diploma or its recognized equivalent.

A youth attending an alternative school is not a dropout.

Homeless, runaway, or foster child

Pregnant or parenting

Offender; **or**

Is an individual (including a youth with a disability (who requires additional assistance to complete an educational program, or to secure and hold employment. [WIA sec. 101(13)])

Definitions and eligibility documentation requirements regarding the "requires additional assistance to complete an educational program, or to secure and hold employment" criterion may be established at the State or local level.

Must be registered

Information collected supports determination of eligibility

EEO data must be included

30% Requirement

Definition

At least 30% of youth funds must be used to provide activities to out-of-school youth

Applies to the total amount of all funds allocated to a **local area** under WIA sec. 128(b)(2)(A) or (b)(3).

Does not have to be 30% of each program, just 30% of total youth funds

Exception where certain small States may apply to the Secretary to reduce the minimum amount that must be spent on out-of-school youth, WIA sec. 129(c)(4).

## Services Provided to Youth

Objective Assessment of each participant

Meet requirements of WIA sec. 129(c)(1)(A)

Includes academic and occupational skill levels, as well as the services needs of each youth

Development of individual strategy for each youth participant

that meets the requirements of WIA sec. 129(c)(1)(B)

Includes identifying a career goal and consideration of the assessment results of each youth

Provide the following

Preparation for postsecondary educational opportunities

Provide linkages between academic and occupational learning

provide preparation for employment, and

provide effective connections to intermediary organizations that provide strong links to the job market and employers.

Ten **Program elements** that local programs must provide, WIA sec. 129(c)(2), as options available to youth participants. Local programs have the discretion to determine what specific program services will be provided to a youth participant, based on each participant's objective assessment and individual services strategy.

Tutoring, study skills training, and instruction leading to secondary school completion, including dropout prevention strategies

Alternative secondary school offerings

Summer employment opportunities directly linked to academic and occupational learning

Local Boards are required to offer summer youth employment opportunities that link academic and occupational learning

Local Boards may determine how much of available youth funds will be used for summer and for year-round youth activities

Summer youth, employment opportunity element is not intended to be a standalone program. Local programs should integrate a youth's participation in that element into a comprehensive strategy for addressing the youth's employment and training needs. Youths who participate in summer employment opportunities must be provided with a minimum of twelve months of Followup services.

Providers other than the grant recipient/fiscal agent are used to provide summer youth employment opportunities, they must be selected by awarding a grant or contract on a competitive basis, based on the recommendation of the youth council and on criteria contained in the State Plan.

Core indicators of performance apply to summer employment activities 20 CFR 666.100(a)(3).

Paid and unpaid work experiences, including internships and job shadowing

Work experiences are planned structured learning experiences that take place in a workplace for a limited period of time. It may be paid, WIA sec. 129(c)(2)(D), or unpaid. It may be in the private, for-profit sector, the non-profit sector, or the public sector. Work experiences are designed to enable youth to gain exposure to the working world and its requirements. Work experiences should help youth acquire the personal attributes, knowledge, and skills needed to obtain a job and advance in employment. The purpose is to provide the youth participant with the opportunities for career exploration and skill development and is not to

benefit the employer, although the employer may, in fact, benefit from the activities performed by the youth. In most cases, on-the-job training is not an appropriate work experience activity for youth participants under age 18. Local program operators may choose, however, to use this service strategy for eligible youth when it is appropriate based on the needs identified by the objective assessment of an individual youth, WIA sec. 129(c)(2)(D). The work experiences may be subsidized or unsubsidized and may include:

Instruction in employability skills or generic workplace skills such as those identified by the Secretary's Commission of Achieving Necessary Skills (SCANS)

Progressively more complex tasks

Internships and job shadowing

The integration of basic academic skills into work activities

Supported work, work adjustment, and other transition activities

Entrepreneurship

Other elements designed to achieve the goals of work experience

Occupational skill training

Leadership development opportunities, which may include such activities as positive social and soft skills, decision making, team work, and other activities

Exposure to postsecondary educational opportunities

Community and service learning projects

Peer-centered activities, including peer mentoring and tutoring

Organizational and team work training, including team leadership training

Training in decision-making, including determining priorities

Citizenship training, including life skills training such as parenting, work behavior training, and budgeting or resources

Employability

Positive social behaviors (soft skills)

Positive attitudinal development

Self esteem building

Cultural diversity training, and

Work simulation activities, WIA sec. 129(c)(2)(F).

Supportive services, WIA sec. 101(46) which may include

Linkages to community services

Assistance with transportation costs

Assistance with child care and dependent care costs

Assistance with housing costs

Referrals to medical services

Assistance with uniforms or other appropriate work attire and work-related tool costs, including eye glasses.

Adult mentoring for a duration of at least twelve (12) months, that may occur both during and after program participation

Followup services for a minimum of 12 months, may be provided beyond 12 months, at the State or Local Board's discretion. Types of services provided and the duration must be determined based on the needs of the individual.

Leadership development and supportive services

Regular contact with a youth participant's employer, including assistance in addressing work-related problems that arise

Assistance in securing better paying jobs, career development and further education

Work-related peer support groups

Adult mentoring

Tracking the progress of youth in employment after training

Comprehensive guidance and counseling, including drug and alcohol abuse counseling, as well as referrals to counseling, as appropriate to the needs of the individual youth

Concurrent Enrollment

Individuals ages 18 through 21 may be eligible for both adult and youth programs.

Such individuals must be eligible under the youth or adult eligibility criteria applicable to the services received. Local program operators may determine, for individuals in this age group, the appropriate level and balance of youth and/or adult services.

Local program operators must identify and track the funding streams which pay the costs of services provided to individuals who are participating in youth and adult programs concurrently, and ensure that services are not duplicated.

ITA's are available to youth eligible for adult programs, but **not** youth in participants in youth programs. Youth participants should however, be involved in the selection of educational and training activities.

One-Stop Connection

The chief elected official, or designee under WIA sec. 117(d)(3)(B), as the local grant recipient for the youth program is a required One-Stop partner and is subject to the requirements that apply to such partners, described in 20CFR part 662.

Programs that are authorized to provide services to such youth must fund one-Stop services for non-eligible youth. For example, basic labor exchange services, under the Wagner-Peyser Act may be provided to any youth.

“Incumbent worker” – States may establish policies and definitions to determine which workers are eligible for incumbent worker services. An incumbent worker is an individual who is employed, but does not necessarily have to meet the eligibility requirements for intensive and training services for employed adults and dislocated workers.

## CHAPTER V

### Cost Limitations

#### General Cost Limitations

Determine sufficiency of budget, by funding stream, adult, dislocated worker, or youth, before committing to obligations (MAPs I-6-8), (20 CFR 663), and youth (20 CFR 664.400 to 664.470).

#### Prohibited Costs

Costs prohibited by WIA are listed at (20 CFR 667.260 through 667.268).

Applicable OMB Circulars should be reviewed for other prohibited costs.

#### Administrative Cost Limitations

Administrative cost limits that apply to Workforce Investment Act grants 20 CFR 667.210.

Formula grants to States:

As part of the 15 percent that a State may reserve for Statewide activities, the State may spend up to five percent (5%) of the amount allotted under secs. 127(b)(1) [Youth], 132(b)(1) [Adult] and 132(b)(2) [Dislocated Worker] of the Act for the administrative costs of Statewide workforce investment activities.

Local area expenditures for administrative purposes under WIA formula grants are limited to no more than ten percent (10%) of the amount allocated to the local area under secs. 128 (b) [Youth] and 133(b) [Adult and Dislocated Worker] of the Act.

Neither the five percent (5%) of the amount allotted that may be reserved for Statewide administrative costs nor the ten percent (10%) of the amount allotted that may be reserved for local administrative costs need to be allocated back to the individual funding streams.

Limits on administrative costs for programs operated under subtitle D of title I (National Programs for Native American, Migrant Workers, Veterans, etc.) will be identified in the grant or contract award document.

Although administrative in nature, costs of information technology – computer hardware and software – needed for tracking and monitoring of WIA program, participant, or performance requirements; or for collecting, storing and disseminating information under the core services provisions are excluded from the administrative cost limit calculation.

In a One-Stop environment, administrative costs borne by other sources of funds, such as the Wagner-Peyser Act are not included in administrative cost limit calculation. Each program's administrative activities are chargeable to its own grant and subject to its own administrative cost limitations.

#### Other Expenditure Limitation Issues

Transfers between Adult and Dislocated Worker funding streams are allowed, up to 20%, with proper approval (20 CFR 667.140).

Local Boards may establish limits on the provision of supportive services, or provide the One-Stop operator with the authority to establish such limits, including a maximum amount of funding and maximum length of time for supportive services to be available to participants. Procedures may also be established to allow One-Stop operators to grant exceptions to the limits established under the above (20 CFR 663.810).

The State or Local Board may impose limits on ITA's (20 CFR 663.420), such as limitations on the dollar amount and/or duration. Limits to ITA's may be established in different ways:

There may be a limit for an individual participant that is based on the needs identified in the individual employment plan; or

There may be a policy decision by the State Board or Local Board to establish a range of amounts and/or a maximum amount applicable to all ITA's.

Youth program funds must meet the 30% minimum expenditures for out-of-school participants (20 CFR 664.320). That means there is a 70% maximum limit on Youth program funds that can be spent on in-school participants.

## CHAPTER VI

### Financial and Performance Reporting Requirements

Reporting requirements for Workforce Investment Act programs are (20 CFR 667.300): All States and other direct grant recipients must report financial, participant, and performance data in accordance with the instructions issued by U.S. DOL. Required reports must be submitted no more frequently than quarterly within a time period specified in the reporting instructions.

#### Subrecipient reporting

A State or other direct grant recipient may **impose different forms or formats, shorter due dates, and more frequent reporting requirements on subrecipients**. However, the recipient is required to meet the reporting requirements imposed by DOL

If a State intends to impose different reporting requirements, **it must describe those reporting requirements in its State WIA plan**.

#### Financial reports

Each grant recipient must submit financial reports to U.S. DOL

Reports must include any income or profits earned, including such income or profits earned by subrecipients, and any costs incurred (such as stand-in costs) that are otherwise allowable except for funding limitations. [WIA sec. 185(f)(2)].

Reported expenditures and program income, including any profits earned, must be on the accrual basis of accounting and cumulative by fiscal year of appropriation. For entities that keep records on a basis other than accrual, see the conversion methods suggested below

#### Due date of financial reports

Financial reports and participant data reports are due no later than 45 days after the end of each quarter unless otherwise specified in reporting instructions. A final financial report is required 90 days after the expiration of a funding period or the termination of grant support.

Subrecipients must submit quarterly reports to recipients **no later than 20 days** after the end of each quarter.

Subrecipients must submit final financial **report 45 days after the** expiration of a funding period or the termination of grant support.

#### Annual Performance Progress Report

An annual performance progress report for each of the three programs under title I, subpart B is required by WIA sec. 136(d).

A state failing to submit any of these annual performance progress reports within 45 days of the due date may have its grant reduced by as much as five percent, WIA sec. 136(g)(1)(B).

Reports that cannot be validated or verified as accurately counting and reporting activities in accordance with the reporting instructions, may be treated as failing to submit annual reports, and be subject to sanctions, 20 CFR 667.300(e)(2).

### Accrual Basis of Accounting – For Reporting Purposes

Financial reporting to NMDOL and the financial statements for audit purposes shall be prepared on the accrual basis of accounting [667.300(c)(3)]. If a recipient or subrecipient maintains accounting records on some other basis of accounting, the following adjustment process can be used to convert the data to accrual basis.

A formal method of conversion is to record accrual adjustments in the general journal and then actually posts the accrual entries to the general ledger and/or subsidiary ledgers. This procedure requires a reversal entry on the first day of the new accounting (reporting) period.

The alternative method is to the working trial balance approach, that involves the following process:

Prepare a worksheet trial balance of the account balances derived from cash basis general ledger

Determine the necessary adjustment to reflect the various accrual entries

Goods or services received but not yet paid for

Salaries and wages from the last pay period (weekly or biweekly) to the end of the month or reporting period, not yet recorded in the accounting system

Adjust expenditures incurred during the accounting period that will benefit a future period, against prepaid assets Examples would be space or facility lease paid in advance for more than one reporting period, supplies and materials bought in large quantities, and insurance.

Post the accrual adjustment in the adjustment columns on the working trial balance, then add across each account on the working trial balance to an adjusted accrual balance.

A new worksheet and appropriate accrual adjustments should be prepared each time WIA expenditure reports are prepared. A copy of each worksheet should be maintained as documentation for the amounts reported

This worksheet method eliminates the need to record original entries and their reversals in the general journal, general ledger, and subsidiary ledgers, during interim accounting periods.

At funding period year-end, however, it is recommended that the formal posting procedure be used to provide a permanent record of the accrual basis financial results.

### Local Area Expenditures Reports

Subrecipients, including Local Workforce Development Areas must submit a monthly financial report on form FMB/WIA-1 to New Mexico Department of Labor, Financial Management Bureau, within **20 days** after the end of each month. The same form will be used for the end of quarter report, and will be due within 20 days after the end of the quarter. See the sample FMB/WIA-1 in the Appendix.

For detailed information regarding tracking and reporting of Performance measurements refer to WIA sec. 185(d) Information to Be Included in Reports, and the Job Training Division publication \_\_\_\_\_.

### Requests for Workforce Investment Act (WIA) Funds

Form FMB/WIA-2, Request for WIA Title I Funds, must be used to request WIA cash. See the sample form in the Appendix. The requester must sequentially number the forms, within each program year. A separate request is to be submitted for each year of appropriation. Submit completed request forms to:

New Mexico Department of Labor  
Financial Management Bureau  
P. O. Box 1928  
Albuquerque, New Mexico 87102  
Fax: (505) 841-8695

Requests submitted by noon Wednesday will be processed and mailed or available for pickup Friday. When a holiday falls on Thursday or Friday, the deadline will be noon Monday. Fax copies and telephone requests will be processed, but warrants will not be released without an original, signed request.

All procurement contracts and other transactions between Local Boards and units of State or local government must be conducted only on a cost reimbursement basis. No provision for profit is allowed. [WIA sec. 134(a)(3)(B)] Local Boards may contact the Cash Management Unit (505-841-8654) of the NMDOL Financial Management Unit to make prearrangements for WIA reimbursements by electronic transfer of funds.

Each entity requesting cash shall take into consideration all program income, reimbursements rebates, contract settlements, audit recoveries, and interest earned before requesting additional cash payments. (Refer to Chapter VII, Program Income and Stand-In Costs.)

## CHAPTER VII

### Program Income and Stand-In Costs

#### Method of Accounting for Program Income per WIA

The **addition method**, described at 29 CFR 97.25(g)(2) and 29 CFR 95.24 (as appropriate), must be used for all program income earned under WIA grants. When the cost of generating program income has been charged to the program, the gross amount earned must be added to the WIA program. However, the cost of generating program income must be subtracted from the amount earned to establish the net amount of program income available for use under the grants when these costs have not been charged to the WIA program. [20 CFR 667.200(a)(5)] A Local Workforce Development Area may retain any program income earned only if such income is used for WIA purposes and under the terms and conditions applicable to the use of WIA funds. The Administration Cost limitations (20 CFR 667.210) apply to such funds.

Any excess of revenue over costs incurred for services provided by a governmental or non-profit entity must be included in program income, WIA sec. 195(7)(A) and (B).

#### Records of Program Income

WIA 185 (f) Requires each State and Local Board to maintain records with respect to programs and activities carried out under the WIA title that identify:

- 1) Any income or profits earned, including such income or profits earned by subrecipients; and
- 2) Any costs incurred (such as stand-in costs) that are otherwise allowable except for funding limitations.

#### Common Rule Definition

Per 29 CFR 97.25, grantees are encouraged to earn income to defray program costs. Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments of principal and interest on loans made with grant funds. Except as otherwise provided in regulations of the Federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them.

Program income means gross income received by the grantee or subgrantee directly generated by a grant-supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report.

#### Program Income Accrual

Program income received after the funding period should be accrued as revenue during the funding period, if measurable and available within 60 days after the end of the program year, and included on the FMB/WIA-1 Report form. Other program income after the funding period shall continue to be WIA program income in subsequent funding periods. There are no federal requirements governing the disposition of such program income earned after the end of the funding period.

### Examples of WIA Program Income

Examples of Workforce Investment Act program income are:

- 1) Fee-for-Services income, 20 CFR 663.145(b)(ii)
  - a) Employers may use local area services, facilities, or equipment funded under title I of WIA to provide employment and training activities to incumbent workers:
    - i) When the services, facilities, or equipment are not being used by eligible participants to use the services, facilities, or equipment; and
    - ii) If their use does not effect the ability of eligible participants to use the services, facilities, or equipment; and
    - iii) If the income generated from such fees is used to carry out programs authorized under title I of WIA. [20 CFR 667.200(a)(7)(i)through(7)(iii)]
- 2) Reimbursement of WIA funds by Pell Grant proceeds, 663.320(c)
- 3) Reimbursements due from services providers that lose eligibility status because of noncompliance with WIA laws and regulations, 20 CFR 663.565
- 4) Incumbent Worker fees-for-services if prescribed by State policy and definition, 20 CFR 665.220.

### Stand-In Costs

Stand-In Costs are amounts expended from non-Federal sources which a recipient or subrecipient proposes to substitute for federal costs which have been disallowed as a result of an audit review. In order to be considered as valid substitutions for Federal disallowed costs, the stand-in costs must:

- Have been reported by the grantee as uncharged program costs under WIA in the same year in which the disallowed cost occurred.
- Have been incurred in compliance with laws, regulations and contractual provisions governing WIA
- Be included in the scope of an audit, however, the stand-in costs themselves may or may not be tested by the auditors
- Must be accounted for in the recipient or subrecipient financial system
- Must be adequately documented.

## CHAPTER VIII

### Cash Management

#### Cash Management Improvement Act

The NM Department of Labor (NMDOL) is subject to the Cash Management Improvement Act Agreement between the State of New Mexico and The Secretary of the Treasury, United States Department of the Treasury. For WIA program funds, this basically means that NMDOL draws program funds from the federal government as issued warrants clear the bank. NMDOL is required to expend the federal funds, then reimburse those expenditures with federal draws.

#### Reimbursement versus Cash Advance

All procurement contracts and other transactions between Local Boards and units of State or local governments must be conducted only on a cost reimbursement basis, per 20 CFR 667.200 (a)(3). Reimbursement is the preferred method for subgrantee cash transactions. Advance payments may be awarded to subgrantees if it is determined that the subgrantee lacks sufficient working capital, the subgrantee meets the standards of this section and 31 CFR 205 governing advances to subrecipients; and advance payment is in the best interest of the awarding agency.

#### Excess Cash Definition

Excess cash on hand is any amount of funds over what is needed for immediate cash needs. For WIA contractors, immediate cash needs should be viewed as the amount of funds needed for disbursement by the recipient's banking institution during the day following receipt of funds. Any cash on hand that cannot be related to a valid existing cost, immediately due and payable may be construed as excess cash on hand. Consideration should be given to turnaround time required for processing and disbursement of cash requests.

#### Good Internal Controls over Cash

Local Workforce Development Areas, WIA subrecipients, and WIA contractors should have cash control records that provide accurate and current daily cash information. A cash receipt/disbursement journal or its equivalent should be maintained for all entity funds. All money should be receipted on sequentially numbered receipts at the time the funds are received. A restrictive endorsement should be placed on the back of checks, at the time funds are received. All receipts must be deposited by the close of the next business day, after receipt. Blank checks, check writing machines and facsimile signature stamps must be secured against unauthorized use. Reconciliations accounting records to bank statement and other cash depository account reports must be performed timely. Persons who are independent of the regular receiving and disbursing operations should perform these reconciliations. There should be written procedures for these controls, and the procedures must be followed.

NMDOL reserves the right to request any WIA subrecipient bank statement, and review or prepare bank reconciliations if necessary.

### Cash Depositories

All WIA fund recipients and subrecipients shall deposit WIA funds in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage. In the event a recipient, subrecipient, or contractor ever has more than the FDIC insurance limit on deposit arrangements must be made with the bank to automatically cover the excess of \$100,000 with collateral security.

### Cash Needs Forecasting

It is very important for subrecipients and contractors to develop a cash needs forecasting system in order to accurately determine the amount of funds to be requested on each weekly FMB/WIA-2 Request for WIA Title I Funds. Analyzing cash needs for the accounting period (monthly, quarterly, etc.) to ensure efficient withdrawal of funds can accomplish this. Regular expenditures like administrative salaries, participant payrolls, rent, utilities, and other recurring items are known in sufficient time to enable grantees to develop reasonably accurate schedules for requesting accurate cash advances. Program income receipts should be disbursed before additional funds are requested. When less predictable expenditures arise, requests to cover them should be scheduled to coincide with the regular requests for cash.

Cash requests may be made as frequently as once a week. The turnaround time for processing the request should be taken into consideration when making the request. Requests submitted by noon Wednesday would be processed and mailed or available for pickup by Friday. When a holiday falls on Thursday or Friday, the deadline will be noon Monday. Fax copies and telephone requests will be processed, but warrants will not be released without an original, signed request.

WIA subrecipients and contractors should work closely together to develop schedules for cash requests that will eliminate excess cash balances on hand. WIA recipients, subrecipients, and contractors should have only as much cash on hand as is needed to cover immediate cash needs.

### Mandatory Reimbursement Payment Method

Abuse of the cash request process resulting in excess cash on hand, or insufficient internal controls over cash receipt and accounting functions, could result in written notification to a cash advance basis WIA contractor, that it will be switched to a reimbursement basis of cash requests. Contractors placed on a reimbursement basis may request reimbursement anytime unreimbursed expenditures equal 5% of the contract amount.

### Rejection of Payment Request

Under the following circumstances, Requests for WIA Title I Funds may result in rejection by NMDOL:

No signature, or an unauthorized signature;  
Excess funds on hand, as determined by the NMDOL Financial Management Bureau  
A written request from within FMB to withhold payment.

#### Reduction of Payment Request

NMDOL Financial Management Bureau will reduce the amount of cash requested if the amount requested is in excess of the balance available under the contract, or if it appears from contractor/subgrantee reports that the requester has an excess cash balance on hand.

#### Withholding of Payments

NMDOL or a Local Workforce Development Area (LWDA) may withhold WIA funds if:

The payee is indebted to the State. Financial Management Bureau of NMDOL, or the LWDA would inform the requester in such a case. When settlement is reached between the payee and the State or LWDA, funds may be released.

A WIA subrecipient or contractor fails to meet contract provisions, like timely submission the WIA Cumulative Financial Status Report or required Performance reports.

The activities conducted by the subrecipient or contractor violates provisions of the Workforce Investment Act, the WIA regulations, applicable Memorandums of Understanding, or this manual.

## **CHAPTER IX**

### **Matching Requirements**

The only reference to matching requirements in the Workforce Investment Act is WIA Title II – Adult Education and Literacy, Subtitle A – Adult Education and Literacy Programs, Chapter 2 – State Provisions, Sec. 222. State distribution of funds; matching requirements.

NMDOL will not be receiving the Adult Education and Literacy federal funds, so the related matching requirements to not apply to NMDOL.

## CHAPTER X

### Monitoring Responsibilities and Sanctions

#### Monitoring Responsibilities

Each recipient and subrecipient must continuously monitor grant-supported activities in accordance with the uniform administrative requirements at 29 CFR parts 95 and 97, as applicable, including the applicable cost principles indicated at 29 CFR 97.22(b) or 29 CFR 95.27, for all entities receiving WIA funds. For governmental units, the applicable requirements are at 29 CFR part 97. For non-profit organizations, the applicable requirements are at 29 CFR part 95. [20 CFR 667.400 (c)]

Oversight roles and responsibilities of all recipients and subrecipients are to

- Conduct regular oversight and monitoring of its WIA activities and those of its subrecipients and contractors in order to:

- Determine that expenditures have been made against the cost categories and within the cost limitations specified in the Act and the related regulations;

- Determine whether or not there is compliance with other provisions of the Act and these regulations and other applicable laws and regulations; and

- Provide technical assistance as necessary and appropriate.

The State's responsibilities for grants under WIA secs. 127 and 132 are to:

- Develop a State monitoring system that:

- Provides for on-site monitoring review of local areas' compliance with

- U. S. DOL uniform administrative requirements

- Ensure that established policies to achieve program quality and outcomes meet the objectives of the Act and related regulations, including the provision of services by One-Stop Centers, eligible providers of training services, and eligible providers of youth activities;

- Determine if subrecipients and contractors have demonstrated substantial compliance with WIA requirements

- Determine whether a local plan will be disapproved for failure to make acceptable progress in addressing deficiencies, as required in WIA sec. 118(d)(1)

- Conduct an annual on-site monitoring review of each local area's compliance with U. S. DOL uniform administrative requirements, including the appropriate administrative requirements for subrecipients and the applicable cost principles indicated at 667.200 for all entities receiving WIA funds.

- Require prompt corrective action be taken if any substantial violation of standards identified in paragraphs a) and b) is found [WIA sec. 184(a)(5)]

- The Governor must impose the sanctions provided in WIA secs. 184(b) and (c) in the event of a subrecipient's failure to take required corrective action required in the above paragraph.

#### Sanctions

The sanctions described in WIA sec. 184(b) and (c) follow.

If, as a result of financial and compliance audits or otherwise, the Governor determines that there is a substantial violation of a specific provision of this title, and corrective action has not been taken, the Governor shall—

Issue a notice of intent to revoke approval of all or part of the local plan affected; or

Impose a reorganization plan, which may include—

Decertifying the local board involved;

Prohibiting the use of eligible providers’

Selecting an alternative entity to administer the program for the local area involved;

Merging the local area into one or more other local area; or

Making other such changes as the U.S. DOL Secretary or Governor determines necessary to secure compliance.

The above actions taken by the Governor may be appealed to the U. S. DOL Secretary, and shall not become effective until

The time for appeal has expired; or

The U.S. DOL Secretary has issued a decision.

If the Governor fails to promptly take the actions required in 1) above, the U. S. DOL Secretary shall take such actions.

The U. S. DOL Secretary can implement immediate termination or suspension of assistance, in whole or in part, to the recipient, in emergency situations if a determination is made that such action is necessary to protect the integrity of the funds or ensure the proper operation of the program or activity involved. [WIA 184(e)]

### Repayment Requirements

Repayment of certain amounts to the United States:

Every recipient of funds under this title shall repay to the United States amounts found not to have been expended in accordance with this title.

If the U.S. DOL Secretary determines that a State has expended funds made available under this title in a manner contrary to the requirements of this title, the U. S. Secretary may **offset** repayment of such expenditures against any other amount to which the State is or may be entitled, except

When a recipient of funds under this title shall be liable to repay disallowed amounts **from funds other than funds received under this title**, upon a determination by the Secretary that the misexpenditures of funds was due to willful disregard of the requirements of this the title, gross negligence, failure to observe accepted standards of administration, or a pattern of misexpenditures. [WIA 184(d)(1)]

If the U. S. DOL Secretary requires a State to repay funds as a result of a determination that a local area of the State has expended funds contrary to the requirements of this title, the Governor of the State may use an **amount deducted from subsequent program year allocations to the local area from funds reserved for the administrative costs of the local programs involved, as appropriate.**

A deduction made by the State as described above shall not be made until such time as the Governor has taken appropriate corrective action to ensure full compliance within such local area with regard to appropriate expenditures of funds under this title.

#### Performance Incentives and Sanctions

For a discussion of Local Area performance requirements and related incentives and sanctions see 20 CFR 666.300 through 666.420 and the Job Training Division Issuance on Performance Measurements. It is possible for a Local Area to receive an incentive grant for achieving exemplary local performance levels. [WIA sec. 134(a)(2)(B)(iii)]

## CHAPTER XI

### Workforce Investment Act Funding

#### Within-State Allocation Formulas

The Governor must allocate WIA formula funds allotted for services to youth, adults and dislocated workers in accordance with WIA secs. 128 and 133, and 20 CFR 667.130.

State Boards must assist Governors in the development of any discretionary within-State allocation formulas. [WIA sec. 111(d)(5).]

Within-State allocations must be made:

In accordance with the allocation formulas contained in WIA secs. 128(b) and 133(b) and in the State workforce investment plan, and

After consultation with chief elected officials in each of the workforce investment areas.

Of the WIA formula funds allotted for services to youth, adults and dislocated workers, the Governor must reserve funds from each of these sources for Statewide workforce investment activities. In making these reservations, the Governor may **reserve** up to fifteen (15) percent from each of these sources. Funds reserved under this paragraph may be combined and spent on Statewide employment and training activities, for adults and dislocated workers, and Statewide youth activities, as described in 20 CFR 665.200 and 665.210, without regard to the funding source of the reserved funds.

The Governor must reserve not more than twenty-five (25) percent of the dislocated worker funds for Statewide **rapid response** activities, as described in WIA sec. 134(a)(2)(A) and 20 CFR 665.310 through 665.330.

#### Youth Allocation Formula

Unless the Governor elects to distribute funds in accordance with the discretionary allocation formula described in ii) below, the remainder of youth funds not reserved under (c) above, must be allocated:

33 1/3 percent based on the relative number of unemployed individuals in areas of substantial unemployment in each workforce investment area, compared to the total number of unemployed individuals in all areas of substantial unemployment in the State

33 1/3 percent based on the relative excess number of unemployed individuals in each workforce investment area, compared to the total excess number of unemployed individuals in the State; and

33 1/3 percent on the basis of the relative number of disadvantaged youth in each workforce investment area, compared to the total number of disadvantaged youth in the State (WIA sec. 128(b)(2)(A)(i)].

#### Discretionary Youth Allocation Formula

In lieu of making the formula allocation described above, the State may allocate youth funds under an alternative formula described at 20 CFR 664.130(c)(2).

#### Adult Allocation Formula:

Unless the Governor elects to distribute funds in accordance with the discretionary allocation formula, the remainder of adult funds not reserved under (c) above must be allocated:

33 1/3 percent based on the relative number of unemployed individuals in areas of substantial unemployment in each workforce investment area, compared to the total number of unemployed individuals in all areas of substantial unemployment in the State

33 1/3 percent based on the relative excess number of unemployed individuals in each workforce investment area, compared to the total excess number of unemployed individuals in the State; and

33 1/3 percent on the basis of the relative number of disadvantaged adults in each workforce investment area, compared to the total number of disadvantaged adults in the State (WIA sec. 133(b)(2)(A)(i)].

Discretionary Adult Allocation Formula

In lieu of making the formula allocation described above, the State may allocate adult funds under an alternative formula described at 20 CFR 664.130(d)(2).

Dislocated Worker Allocation Formula

The remainder of dislocated worker funds not reserved under (c) and (c)(i) above, must be allocated on the basis of a formula prescribed by the Governor that distributes funds in a manner that addresses the State's worker readjustment assistance needs. Funds so distributed must not be less than 60 percent of the State's formula allotment.

The Governor's dislocated worker formula must use the most appropriate information available to the Governor, including information on:

Insured unemployment data

Unemployment concentrations

Plant closings and mass layoff data

Declining industries data

Farmer-rancher economic hardship data, and

Long-term unemployment data

The State Plan must describe the data used for the formula and the weights assigned, and explain the State's decision to use other information or to omit any of the information sources set forth above.

The Dislocated worker formula may not be amended more than once for any program year.

The Dislocated Worker funds initially reserved for Statewide rapid response activities, under (c)(i), may be

Distributed to local areas, and

Used to operate projects in local areas in accordance with the requirements of WIA sec. 134(a)(2)(A) and 20 CFR 665.310 through 665.330.

The State Plan must describe the procedures for any distribution to local areas, including the timing and process for determining whether a distribution will take place.

#### Local Board Funding Stream Transfer Authority (20 CFR 776.140)

A Local Board may transfer up to 20 percent of a program year allocation for adult employment and training activities and up to 20 percent of a program year allocation for dislocated worker employment and training activities between the two programs

Before making any such transfer, a Local Board must obtain approval;

Local Boards may not transfer funds to or from the youth program.

## Reallocations Procedures 20 CFR 667.160

The Governor may reallocate youth, adult and dislocated worker funds among local areas within the State in accordance with the provisions of secs. 128(c) and 133(c) of the Act. If the Governor chooses to reallocate funds, the provisions described below apply

For the youth, adult and dislocated worker programs, the amount to be recaptured from each local area for purposes of reallocation, if any, must be based on the amount by which the prior year's unobligated balance of allocated funds **exceeds 20 percent** of that year's allocation for the program, less any amount reserved (up to 10 percent) for the costs of administration. Unobligated balances must be determined based on allocations adjusted for any allowable transfer between funding streams. This amount, if any, must be separately determined for each funding stream.

To be eligible to receive youth, adult or dislocated worker funds under the reallocation procedures, a local area must have obligated **at least 80 percent** of the prior program year's allocation, less any amount reserved (up to 10 percent) for the costs of administration, for youth, adult, or dislocated worker activities, as separately determined. A local area's eligibility to receive a reallocation must be separately determined for each funding stream.

## CHAPTER XII

### Procurement

#### General Procurement Information

The recipient or subrecipient should develop purchasing procedures to ensure that only needed goods and services, of acceptable quality, are acquired, at the lowest possible cost, in compliance with the applicable Office of Management and Budget (OMB) Circular or Federal Register Part. Purchasing internal controls and procedures must ensure all goods and services paid for are actually received, and that all applicable discounts, allowances and rebates are taken when payment is made.

- 1) Governments use OMB Circular A-87
- 2) Non-Profits use OMB Circular A-122
  - a) Common Rule implementing OMB Circular A-110 codified at 29 CFR Part 95, per 20 CFR 667.200 (a)(2)
- 3) For-Profits use 48 CFR Part 31
- 4) Colleges/Universities use OMB Circular A-21
  - a) Common Rule implementing OMB Circular A-110 codified at 29 CFR Part 95, per 20 CFR 667.200 (a)(2)
- 5) Hospitals use 45 CFR Part 74
  - a) Common Rule implementing OMB Circular A-110 codified at 29 CFR Part 95, per 20 CFR 667.200 (a)(2)

OMB Circulars are available at [www.whitehouse.gov/WH/EOP/OMB/html/circulars](http://www.whitehouse.gov/WH/EOP/OMB/html/circulars) or call 202-395-7332. Federal Codified Regulations are available at [www.access.gpo.gov](http://www.access.gpo.gov) or [www.dol.gov/dol/public/regs/cfr/main.htm](http://www.dol.gov/dol/public/regs/cfr/main.htm).

#### State Level Procurement WIA sec. 171 and 172

WIA Requirements for Procurement at the State level of funds from WIA sec.171(Demonstration , pilot, multiservice, research, and multistate projects) and 172 (Evaluations), are listed at 20 CFR 667.105(g).

#### List of Eligible Providers

The Governor designates a State agency to assist in carrying out WIA sec. 122. The designated State agency is responsible for:

Developing and maintaining the State list of eligible providers, which is comprised of lists submitted by Local Boards;

For the definition of Eligible Providers of training services see 20 CFR 663.505.

For the definition of program of training services see 20 CFR 663.508.

For online access to a current version of 20 CFR, go to

**[http://www.dol.gov/dol/allcfr/Title\\_20/Chapter\\_V.htm](http://www.dol.gov/dol/allcfr/Title_20/Chapter_V.htm).**

Verifying the accuracy of the information on the State list, in consultation with the Local Boards, removing providers who do not meet program performance levels, and taking

appropriate enforcement actions as described in WIA sec. 122(f)(1), against providers in the case of the intentional provision of inaccurate information;  
Disseminating the State list, accompanied by performance and cost information relating to each provider, to One-Stop operators throughout the State;  
Taking enforcement actions in cases where a training provider violates the Act; and  
Removing providers that do not meet minimum acceptable levels of performance for the program.

The Local Board must:

Accept applications for initial eligibility from certain postsecondary institutions and entities providing apprenticeship training;  
Carry out procedures prescribed by the Governor to assist in determining the initial eligibility of other providers;  
Carry out procedures prescribed by the Governor to assist in determining the subsequent eligibility of all providers;  
Compile a local list of eligible providers, collect the performance and cost information and any other required information relating to providers;  
Submit the local list and information to the designated State agency;  
Ensure the dissemination and appropriate use of the State list through the local One-Stop system;  
Consult with the designated State agency in cases where termination of an eligible provider is contemplated because inaccurate information has been provided; and  
Work with the designated State agency in cases where the termination of an eligible provider is contemplated because of violations of the Act.

The Local Board may:

- 1) Make recommendations to the Governor on the procedures to be used in determining initial eligibility of certain providers;
- 2) Increase the levels of performance required by the State for local providers to maintain subsequent eligibility;
- 3) Require additional verifiable program-specific information from local providers to maintain subsequent eligibility.

The Process for Initial Determination of Provider Eligibility is:

- 1) For postsecondary educational institutions that are eligible to receive assistance under title IV of the Higher Education Act, and that provide a program that leads to an associate or baccalaureate degree or certificate, and for entities carrying out apprenticeship programs registered under the National Apprenticeship Act to be initially eligible to receive adult or dislocated worker training funds under title I of WIA, the institution or entity must submit an application to the Local Board(s) in which the provider desires to provide training services that describes each program of training services, as defined in 20 CFR 663.508, that leads to such a degree or certificate or is registered under the National Apprenticeship Act.
- 2) Local Boards determine the procedures to use in making an application under the above paragraph. The Local Board procedures must specify the timing, manner, and contents of the required application.
- 3) For other providers,
  - a) The Governor must develop a procedure for use by Local Boards for determining the eligibility of other providers, after

- i) Soliciting and taking into consideration recommendations from Local Boards and providers of training services within the State; and
- ii) Providing an opportunity for interested members of the public, including representatives of business and labor organizations, to submit comments on the procedure.
- b) The procedure must be described in the State Plan.
- c) The procedure must require
  - i) That the provider submit an application to the Local Board at such time and in such manner as may be required, which contains a description of the program of training services;
  - ii) If the provider provides a program of training services on the date of application, the procedure must require that the application include an appropriate portion of the performance information and program cost information described in 20 CFR 663.540, and that the program meet appropriate levels of performance;
  - iii) If the provider does not provide a program of training services on that date, the procedure must require that the provider meet appropriate requirements specified in the procedure. [WIA sec. 122(b)(2)(D)]
- d) Programs of training services provided by postsecondary educational institutions that do not lead to an associate or baccalaureate degree or certificate and apprenticeship programs that are not registered under the National Apprenticeship Act must be determined initially eligible under the same provisions as “other providers.”

The Local Board must include all providers that meet the necessary requirements on a local list and submit the list to the designated State agency. The State agency has 30 days to verify the information relating to the “other” providers. After the agency verifies that the provider meets the criteria for initial eligibility, or 30 days have elapsed, whichever occurs first, the provider is initially eligible as a provider of training services. The providers submitted under paragraph 1) above are initially eligible without State agency review. [WIA sec. 122(e)]

For information regarding the time limit on the initial eligibility of training providers, see 20 CFR 663.530. For a description of determination of the subsequent eligibility of a provider, see 20 CFR 663.535 through 663.565.

For a description of ways that a Local Board can supplement the information available from the State list see 20 CFR 663.575.

20 CFR 663.585 describes the circumstances under which an individual may choose training providers located outside of the local area.

A Community-based Organization (CBO) may apply and be determined eligible to provide training services, under WIA sec. 122 and 20 CFR 663.590. As eligible providers, CBO’s provide training through Individual Training Accounts (ITA’s) and may also receive contracts for training special participant populations when the requirements for exceptions to ITA’s are met, 20 CFR 663.430.

For On-The-Job (OJT) and customized training providers, One-Stop operators in a local area must collect such performance information as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate a list of providers that have met such criteria, along with the relevant performance information about them, through the One-Stop delivery system. Providers determined to meet the criteria are considered to be identified as eligible providers of training services. These providers are not subject to the other requirements of WIA sec. 122 or the other requirements cited above.

### State Procurement Law

Local Public Bodies of the State of New Mexico must comply with the Chapter 13 Public Purchases and Property, 1997 Replacement Pamphlet, 1998 Replacement Pamphlet, and the 1999 Cumulative Supplement. Copies of the last two documents are attached in the Appendix section.

### Common Rule Overview

Overview of procurement in the common Rule “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments”, codified in 29 CFR part 97.

29 CFR 97.36 requires States when procuring property and services under a grant, to follow the same policies and procedures it uses for procurements from its non-Federal funds. The State must ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow the following paragraphs.

Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in 29 CFR 97.36.

Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

The employee, officer or agent,

Any member of his immediate family,

His or her partner, or

An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee’s or subgrantee’s officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for

penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee" and subgrantee" officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement; selection of contract type; contractor selection or rejection; and the basis for the contract price.

Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding federal agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency are limited. 29 CFR 97.36(b)(12)(i - ii).

All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of 29 CFR 97.36. Some of the situations considered to be restrictive of competition are listed at 29 CFR 97.36(c)(i -vii).

Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. See 29 CFR 97.36 (c)(2) for more detail.

Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured.

Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals

Grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition.

29 CFR 97.36(d) is a discussion of methods of procurement.

Procurement by small purchase procedures for relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$25,000 in the aggregate. If small purchase procurements are used, price or rate quotations will be obtained from an adequate number of qualified sources.

Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction.

Procurement by competitive proposals is the technique conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. Requirements are listed at 29 CFR 97.36 (d)(3).

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. For details see 29 CFR 97.36(d)(4)

The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. More detail is available at 29 CFR 97.36 (e).

Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. See 29CFR 97.36 (f) for more details.

Grantees and subgrantees will **negotiate profit as a separate element** of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Costs or prices based on estimated costs for contracts under grants will be allowable only the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see 29 CFR 97.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.

The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. For more detail see 29 CFR 97.36(g)

There is a bonding requirement for construction or facility improvement contracts or subcontracts exceeding \$100,000. For details see 29 CFR 97.36(h).

A grantee's and subgrantee's contracts must contain specific provisions. These contract provisions are listed at 29 CFR 97.36(i).

### WIA Common Rule Exceptions for State, Local, and Indian Tribal Governments

Workforce Investment Act **exceptions** [20 CFR 667.200 (a)(3) through (a)(6)] **to the Common Rule** 29 CFR part 97, for State, local, and Indian tribal government organizations are:

All procurement contracts and other transactions between Local Boards and units of State or local governments must be conducted only on a cost reimbursement basis. No provision for profit is allowed. [WIA sec. 184(a)(3)(B)]

Regarding codes of conduct and conflict of interest issues related to employees in 29 CFR 97.36(b)(3):

A State Board member or a Local Board member or Youth Council member must neither cast a vote on, nor participate in, any decision-making capacity on the provision of services by such member (or any organization which that member directly represents), nor on any matter which would provide any direct financial benefit to that member or a member of his immediate family.

Neither membership on the State Board, the Local Board or the Youth Council nor the receipt of WIA funds to provide training and related services, by itself, violates these conflict of interest provisions.

The addition method, described at 29 CFR 97.25(g)(2) and 29 CFR 95.24 (as appropriate), must be used for all program income earned under WIA grants. When the cost of generating program income has been charged to the program, the gross amount earned must be added to the WIA program. However, the cost of generating program income must be subtracted from the amount earned to establish the net amount of program income available for use under the grants when these costs have not been charged to the WIA program. [20 CFR 667.200(a)(5)]

Any excess of revenue over costs incurred for services provided by a governmental or non-profit entity must be included in program income. [WIA sec. 195(7)(A) and (B)]

## CHAPTER XIII

### Fixed Assets (Capital Assets)

#### Safeguard Assets

WIA recipients or subrecipients should prescribe and enforce internal controls that will safeguard fixed assets purchased with WIA funds.

#### Definition of Fixed Assets

A fixed asset is an item that will last longer than a year, whose acquisition cost (net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired) is \$1000.01 or greater. The acquisition cost definition is from 29 CFR 97.3. The dollar amount is based on the New Mexico House Bill 783 which became a part of Laws of 1999, Chapter 230, that amended Section 12-6-10 NMSA 1978 to increase the amount set to record fixed asset inventory items from \$500.00 to amounts above \$1000.00.

#### Required Fixed Asset Procedures

All fixed assets must be tagged upon receipt of the asset. Tags are available from General Services Bureau (GSB), Property Control 505-841-8307.

Local Workforce Development Areas (LWDA's) will keep a control log of all fixed assets purchased with WIA funds. A copy of the control log will be provided to Job Training Division (JTD) and General Services Bureau, NMDOL. A sample control log is available in the back of this guide.

Procedures must include provision for an annual inventory of the fixed assets, with an updated copy of the control log being sent to JTD and GSB.

Any Fixed Asset disposition must be coordinated through the General Services Bureau and the Job Training Division of NMDOL. Also note disposition requirements described on Exhibit G of the WIA Closeout Package, at the back of this manual.

## CHAPTER XIV

### Record Accessibility and Retention

#### Availability to the Public (WIA) sec. 185(a)(4)

Except as provided for below, records and reports regarding performance of programs and activities carried out under WIA title I, maintained by recipients, shall be made available to the public upon request

- 1) Except when disclosure of information would constitute a clearly unwarranted invasion of personal privacy; and
- 2) Trade secrets, or commercial or financial information, that is obtained from a person and privileged or confidential.

Grant recipients may charge fees sufficient to recover costs applicable to the processing of requests for such records.

#### Retention and Access Requirements for Records, per 29 CFR 97.42

These requirements apply to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:

Required to be maintained by the terms of 97.42, program regulations or the grant agreement, or

Otherwise reasonably considered as pertinent to program regulations or the grant agreement.

Except as otherwise provided, records must be retained for **three years** from the starting date specified

When grant support is continued or renewed at annual or other intervals, the retention period for the records of each funding period starts on the day the grantee or subgrantee submits to the awarding agency its single or last expenditures report for that period.

If the grant support is continued or renewed quarterly, the retention period for each year's records starts on the day the grantee submits its expenditures report for the last quarter of the Federal fiscal year.

In all other cases, the retention period starts on the day the grantee submits its final expenditures report. If an expenditure report has been waived, the retention period starts on the day the report would have been due.

If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

To avoid duplicate recordkeeping, awarding agencies may make special arrangements with grantees and subgrantees to retain any records, which are continuously needed for joint use. The awarding agency will request transfer of records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by the Federal Agency (U.S. DOL) the 3-year retention requirement is not applicable to the grantee or subgrantee.

Indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable, and their supporting records (such as computer usage chargeback rates or composite fringe benefit rates)

If submitted to the Federal Government (or to the grantee) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

If not submitted to the Federal Government (or grantee) for negotiation purposes, then the 3-year retention period for the proposal plan and its supporting documentation starts from the end of the fiscal year covered by the proposal.

Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.

The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of grantees and subgrantees which are pertinent to the grant, in order to make audits, examinations, excerpts, and transcripts.

The rights of access in this section must not be limited to the required retention period but shall last as long as the records are retained.

Contractor requirements for record retention must be addressed in the provisions of the contract 29 CFR 97.36(i)(10) & (11).

Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, document, paper, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

Retention of all required records for **three years** after grantees or subgrantees make final payments and all other pending matters are closed.

#### In the Event of Terminated Relationships

In the event that a subrecipient terminates its relationship with the New Mexico Workforce Areas (NMWDA), the NMWDA shall be responsible for the maintenance and retention of any subrecipient records, of an entity unable to retain them.

## CHAPTER XV

### Tax Treatment of Various Payments Under WIA

The Internal Revenue Service (IRS) issued guidance on when payments made under the Job Training Partnership Act (JTPA) were taxable as income. Under JTPA, there were primarily three types of payments made directly to participants and the taxable status rested on whether the activity was basically for performance of “services” or for participation in a training program that promoted the general welfare in the nature of relief payments. Until further guidance is available, it is assumed that the same IRS guidance applies to the various types of WIA payments. The three types of payments are:

Wages to individuals participating in On-the-Job Training programs, subject to income and employment taxes because the participant is rendering “services.”

Wages to individuals in a public sector work experience or private sector tryout employment activity considered compensation for “services” and wages and the payments attributable for these items are taxable as income.

Payments made to individuals participating in Classroom Training activity in the form of supportive services, needs-based payments or need-related payments are excludable from income and employment taxes because the compensation was not for services. Therefore, participant allowances for transportation, temporary shelter, child care, and such are not considered compensation for services because they are based on need.

## CHAPTER XVI

### Reconciliation and Closeout

Subrecipients must submit final financial reports 45 days after the expiration of a funding period (generally 12 months) or the termination of grant support. The final closeout/settlement package must be submitted to the New Mexico Department of Labor, Administrative Services Division, Financial Management Bureau, no later 75 days after the closeout for Workforce Development Areas (NMWDA's), or 45 days after the close of the program year for subgrantee/service providers.

All subrecipients, NMWDA's and subgrantees, must submit two (2) sets of the completed closeout package. One set must include the original signatures. The closeout package should be forwarded to:

New Mexico Department of Labor  
Financial Management Bureau  
P. O. Box 1928  
Albuquerque, NM 87103

The closeout package provides all the needed instructions necessary to comply with the closeout requirement. Questions regarding the closeout package should be directed to the New Mexico Department of Labor, Financial Management Bureau at 841-8657.

The subrecipient of WIA funds must submit all requests for an extension of time for submitting the closeout package in advance, in writing. The New Mexico Department of Labor, Financial Management Bureau will evaluate any Modifications by subrecipients to the information provided in the closeout package on an individual case basis.

NEW MEXICO SERVICE DELIVERY AREA/SUBSTATE AREA  
WORKFORCE INVESTMENT ACT  
CLOSEOUT PACKAGE

GENERAL PROVISIONS

Every recipient of WIA funds must prepare a Financial Closeout Package at the end of each program period. The closeout shall contain the following:

	PAGE
A. .... Recipient's Grant Release Statement	4
B. .... Final Cash Reconciliation Report	6
C. .... Financial Closeout Statement	7
D. .... Outstanding Unclaimed Wages	8
E. .... Other Claims Outstanding	9
F. .... Certification of Inventory	10
G. .... Certification of Use and Disposition of WIA Non-Expendable Property	11
H. .... Property Control Form	12

DUE DATE

The final closeout/settlement package must be submitted no later than 45 days (subrecipients) and 75 days for Workforce Development Areas, after the close of the program period as part of the annual resolution process. **NON-RECEIPT OF A PRIOR PROGRAM PERIOD'S CLOSEOUT BY THE DUE DATE MAY RESULT IN WITHHOLDING OF FUNDS OF THE CURRENT CONTRACT.**

WIA CLOSEOUT PACKAGE  
GENERAL INSTRUCTIONS

SUBMISSION OF WIA CLOSEOUT

Recipients must submit two (2) sets (one with original signatures) of the completed closeout package. The closeout should be forwarded to:

New Mexico Department of Labor  
Financial Management Bureau  
TIWA Building  
P.O. Box 1928  
Albuquerque, New Mexico 87103  
(505) 841-8657

REQUIRED DOCUMENTS

EXHIBIT A - RECIPIENT'S GRANT RELEASE STATEMENT

Use Exhibit A which is self-explanatory. Page 5 must be notarized.

EXHIBIT B - FINAL CASH RECONCILIATION REPORT

Use Exhibit B. All cash requested should be included as well as expenditures, claimed and unclaimed. Expenditure figures should be consistent with final Monthly Status Report (FMB/WIA-1). If expenditures do not match the last expenditure report submitted, a final FMB/WIA-1 should be included with the closeout to match expenditures reported.

The Final Cash Reconciliation report (Exhibit B) should indicate whether the recipient received excess cash or if additional funds are owed. Excess cash must be returned to the State with the closeout package. If there is a deficit and the NMDOL owes the grantee money, a "Request of Cash" should be submitted with the closeout.

EXHIBIT C - FINANCIAL CLOSEOUT STATEMENTS

Contract recipients are required to reconcile their WIA grant according to the following categories:

A. .... Program Year Allocation

C. .... Unspent Funds

If the Approved Allocation has been exceeded, the recipient/subrecipient must contact either the Workforce Development Area or NMDOL, Financial Management Bureau for corrective action. Recipients are not authorized to exceed the Approved Appropriation in any cost category.

Expenditures in excess of the Approved Appropriation may result in disallowed costs. Closeouts with deficits will not be approved until deficits or overexpenditure issues are resolved. **Recipients/subrecipients may not unilaterally transfer funds from one cost category to another to offset overexpenditures.**

EXHIBIT D - UNCLAIMED WAGES

Please including the following pertinent data:

A. .... Claimant's name, last known address, amount of money due and social security or identification number (where appropriate) for each individual to whom checks for wages (or other outstanding amounts) are made.

- B. .... For employee and enrollee checks, the pay period during which the money was earned, including the number of hours, hourly rate of pay and dates worked.
- C. .... Check number, date of issuance and amount of each uncashed check.
- D. .... A check for unclaimed wages should be made payable to NMDOL and returned with closeout package.

EXHIBIT E - OTHER CLAIMS OUTSTANDING

- A. .... Outstanding obligations, other than unclaimed wages, must be reported on this page.
- B. .... In the event obligations do not materialize an amended closeout must be prepared. A check made payable to NMDOL must accompany the amended closeout.

EXHIBITS F, G, & H - CERTIFICATION OF WIA INVENTORY  
CERTIFICATION OF WIA PROPERTY  
WIA PROPERTY INVENTORY CONTROL FORM

PY \_\_\_\_\_

NEW MEXICO WORKFORCE DEVELOPMENT AREA  
NEW MEXICO DEPARTMENT OF LABOR

GRANT RELEASE AGREEMENT

WORKFORCE INVESTMENT ACT

STATE OF NEW MEXICO

COUNTY OF \_\_\_\_\_

WIA Subgrant No. \_\_\_\_\_ Subgrant Amount \$ \_\_\_\_\_ Title I

1. .... This release agreement is made and entered into by and between the New Mexico Department of Labor, hereinafter referred to as "Department" and \_\_\_\_\_ hereinafter referred to as "Contractor."
2. .... It is expressly understood and agreed by the parties hereto that the Department and Contractor have a Contract No. \_\_\_\_\_ which Contractor agreed to operate employment and training services under the Workforce Investment Act of 1998, and related regulations 20 CFR 660.100 through 652.216, authorized by Sec. 504(c), Pub. L. 105-220; 20 USC 9276(c). The Department agreed to reimburse Contractor for costs incurred under the above named contract, not to exceed a total sum of \_\_\_\_\_ as specified below.
3. .... It is expressly understood and agreed by the parties hereto that costs incurred under the named contract shall not exceed \_\_\_\_\_ and that Contractor by the execution of this instrument expressly releases the Department from any and all liability in excess of \_\_\_\_\_ which is the total cost actually incurred under Subgrant No. \_\_\_\_\_.
4. .... It is expressly understood and agreed by the parties hereto that in case of conflict between the terms of this release agreement and the above named Contractor that the term(s) of this release agreement shall govern and the conflicting term(s) in the above named contract shall be void and of no effect.
5. .... It is expressly understood and agreed by the parties hereto that no provision of this Release Agreement shall be construed as relieving Contractor of liability of costs ultimately disallowed as a result of financial and compliance audits of Contractor's WIA programs.
6. .... The person or persons signing and executing this release agreement on behalf of Contractor or representing himself/herself or themselves as signing and executing this release agreement do hereby warrant and guarantee that he/she or they have been duly authorized by Contractor to execute this release agreement on behalf of Contractor and legally bind Contractor to all the terms of this release agreement. The person or persons signing this release agreement shall be personally liable to the Department for all damages and liabilities incurred as a result of such person or persons lack of legal authority to bind Contractor to the terms of this release agreement.

WITNESS OUR HANDS THIS \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

Signed: Contractor

Address:

Subscribed and sworn to before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

NOTARY PUBLIC

My Commission Expires:

Approved and accepted on behalf of the New Mexico Department of Labor, an Agency of the State of New Mexico.

CLINTON D. HARDEN, JR., Secretary  
New Mexico Department of Labor

Date of Signing:

This release agreement is not effective until signed by the Secretary of the New Mexico Department of Labor.

Exhibit A

NEW MEXICO SERVICE DELIVERY AREA/SUBSTATE AREA  
WORKFORCE INVESTMENT ACT  
CLOSEOUT PACKAGE

WIA CASH RECONCILIATION REPORT

Subgrantee Name: ..... Subgrant No. \_\_\_\_\_ Subgrant Period.

Subgrantee's Address ...

.....

Title I\_\_\_\_\_ Other (specify) .....

\*\*\*\*\*

a. .... Authorized Subgrant amount.....

b. .... Cash Received as of Request No. \_\_\_\_\_

c. .... Cash requested (Request Nos. \_\_\_\_\_), but not ... yet received.

d. .... Total Cash Available (sum of items b and c).....

e. .... Gross disbursements as of \_\_\_/\_\_\_/\_\_\_ (cash ... basis expenditures as reported on your Monthly Report of Cash Expenditures).

f. .... AMOUNT OF FUNDS REQUESTED (items e. minus item d.) [to be filled out when deficit exists].

g. .... AMOUNT OF REFUND DUE NMDOL (Item e. minus item d) [attach check to this form]. Check should be made payable to NMDOL.

h. .... Funds remaining in the Contract (item a minus e).....

I. .... Total program income and/or interest earned ..... (To have been expended for WIA activities.)

=====

CERTIFICATION: I hereby certify that the data provided is correct and that all disbursements were made in accordance with the terms of the Contract and that payment is due and has not been previously requested.

\_\_\_\_\_  
(Type Name & Title of Authorized Official .. Signature. .... Date

\_\_\_\_\_  
Type Name & Title of Preparer ... (Area Code and Telephone No.)

Exhibit B

NEW MEXICO SERVICE DELIVERY AREA/SUBSTATE AREA  
 WORKFORCE INVESTMENT ACT  
 CLOSEOUT PACKAGE

Subgrantee Name:

Subgrant No.: .....

FINANCIAL CLOSEOUT STATEMENT .....

PY \_\_\_\_ WIA TITLE I

.....Administration Costs & Program Costs....  
 .....Admin. ... .. Adult .. Dislctd Wrkr .... Youth 70%.... Youth 30% .

a. ....PY \_\_\_\_ Allocations .....\$ \_\_\_\_\_ ..\$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ ...\$ \_\_\_\_\_

b. ....PY \_\_\_\_ Expenditures ...\$ \_\_\_\_\_ ..\$ \_\_\_\_\_ \$ \_\_\_\_\_ . \$ \_\_\_\_\_ ...\$ \_\_\_\_\_

c. ....Unspent Funds .....\$ \_\_\_\_\_ ..\$ \_\_\_\_\_ \$ \_\_\_\_\_ . \$ \_\_\_\_\_ . \$ \_\_\_\_\_

REMARKS: This is to certify that the above expenditures are actual, verifiable and that such expenditures are valid and consistent with the terms of the Grant Recipient Agreement.

\_\_\_\_\_  
 Signature of Authorized Official..... Date

**LINE ITEM INSTRUCTIONS:**

- a. .... Enter the PY \_\_\_\_ Allocations of the WIA Title I by administration costs and program funding stream, with the 30% minimum Youth separate.
- b. .... Enter the cumulative total expenditures by administration costs and program funding stream, with the 30% minimum Youth separate, for PY \_\_\_\_ as shown on the monthly report of cash expenditures FMB/WIA-1 submitted by the New Mexico Department of Labor, Financial Management Bureau.
- c. .... Enter the amounts that were unspent. .

Exhibit C

NEW MEXICO SERVICE DELIVERY AREA/SUBSTATE AREA  
WORKFORCE INVESTMENT ACT  
CLOSEOUT PACKAGE

UNCLAIMED WAGES

Subgrantee Name ..... Subgrant No ..... WIA Title .....

Subgrantee Address .....

.....

The total of unclaimed wages must be reported in total cumulative expenditures and a check made payable to NMDOL must be enclosed.

NAME & ADDRESS

OF PARTICIPANT ..... SOC. SEC. NO...... CHECK NO...... NET PAY

Exhibit D

NEW MEXICO SERVICE DELIVERY AREA/SUBSTATE AREA  
WORKFORCE INVESTMENT ACT  
CLOSEOUT PACKAGE

OTHER CLAIMS OUTSTANDING

Subgrantee Name and Address .... Subgrant No. ...Funding .. .....WIA Title I  
Stream

\_\_\_\_\_ .....

Total of Other Claims Outstanding must be reported in total cumulative expenditures.

NAME & ADDRESS .. ..... CHECK NO.  
OF PARTICIPANT ..... AMOUNT DUE ..... (IF APPLICABLE) .....

Exhibit E

NEW MEXICO SERVICE DELIVERY AREA/SUBSTATE AREA  
WORKFORCE INVESTMENT ACT  
CLOSEOUT PACKAGE

WIA - CERTIFICATION OF INVENTORY

=====

WIA Title I ... WIA Funding Stream \_\_\_\_\_ (Adult, Dislocated Worker, Youth)

Contract No. \_\_\_\_\_ Organization

I, \_\_\_\_\_ hereby certify that the property Management/Standards for non-expendable property Acquisition Cost of \$1000.01 or more as prescribed in Section 97.32(d)(1), OMB Circular A-102 (Revised July 1, 1988) of the Uniform Grant and Contract Management Standards, State of New Mexico Procurement Code, and the standards stipulated in the WIA Procurement and Property Standards Guide have been adhered to and a physical inventory of all non-expendable property conducted. The last such inventory was taken on \_\_\_\_\_ (date) by

\_\_\_\_\_  
Signature ..... Date

(Print Name and Title)

Exhibit F

NEW MEXICO SERVICE DELIVERY AREA/SUBSTATE AREA  
WORKFORCE INVESTMENT ACT  
CLOSEOUT PACKAGE

WIA NON-EXPENDABLE PERSONAL PROPERTY

=====

WIA Title   I   ..... Contract No.           . Organization

I,                            hereby certify that all non-expendable personal property with a unit acquisition cost of \$1000.01 or more purchased with Workforce Investment Act (WIA) funds or transferred from programs under the Job Training Partnership Act (JTPA) is being used and will continue to be used solely for WIA purposes.

If any of the non-expendable personal property as described above is to be used for purposes other than WIA, I certify that a Shared-Use Plan has been developed and meets the requirements of 29 CFR 97.32(d)(1), OMB Circular A-102 (Revised July 1, 1988) of the Uniform Grant and Contract Management Standards, State of New Mexico Procurement Code, and standards stipulated in the Workforce Investment Act.

If such property has been disposed of either through sale or retained for use in non-WIA activities, I further certify that NMDOL GSB was consulted regarding the disposition, and the WIA program has been credited for the fair market value of that property.

Signature..... Date

(Type Name and Title)

Exhibit G

**For the following forms, contact:**

**New Mexico Department of Labor  
Financial Management Bureau  
(505) 841-8657**

**Form FMB/WIA-1 (Expenditures)  
Form FMB/WIA-2 (Cash Request)  
WIA Property Inventory Control Form  
Procurement Code**