

ARIZONA DEPARTMENT OF ECONOMIC SECURITY



**WORKFORCE INNOVATION AND  
OPPORTUNITY ACT POLICY  
MANUAL**

**CHAPTER 3 – Fiscal Policies  
SECTION 200**

**SUBJECT: LEVERAGED RESOURCES**

**200 LEVERAGED RESOURCES**

Leveraged resources are all resources used to support WIOA Title I-B grant activities and desired grant outcomes, whether or not those resources meet the standards required of allowable matches. This means that leveraged resources may fall into two categories:

- Allowable Match; or
- Non-Match

References: 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements, subpart E and Appendices I through XI, including any exceptions identified by the Department at 2 CFR part 2900, WIOA Final Regulations 29 CFR 95, 29 CFR 9, P.L. 113-128 Sections 184 and 188; 20 CFR Sections 683.200, 683.285, 683.620, 683.630, 684.630, 667.270, Department of Labor Training and Employment Guidance Letter (TEGL) No. 2-12.

**201 ALLOWABLE MATCH**

Per 29 CFR 97.24 and 29 CFR 95.23, allowable match is defined as additional non-federal resources expended to further the grant objectives, if required either by statute or within the grant agreement as a condition of funding. All matched funds must be spent on allowable grant activities and in accordance with cost principles.

- A. The grantee cannot claim both an allowable cost (to be reimbursed from grant revenue) and a match expenditure. In order to qualify as match, the costs cannot have been paid from federal funds, charged to program income, or used to match other federal match requirements.
- B. Leveraged resources that are considered an allowable match are reported on the ETA 9130 Accrued Expenditure and Cash Report (see Exhibit 3-200A), as well as on the Performance Report (see Exhibit 3-200B).

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**202 NON-MATCH**

The cost of non-match leveraged resources may be paid for with either federal or non-federal funds. Non-match leveraged resources may fund a WIOA Title I-B participant's provided services, or pay for facilities or equipment used to further the goal of the grant activities.

- A. WIOA does not have a match requirement, but allowable match leveraged resources are required to be reported. Leveraged resources that are considered non-match are reported on the Performance Report.
- B. Under WIOA Title I-B programs, all leveraged resources must be allowable and auditable to include all regulations, circulars and state-level requirements.

**203 MATCH EXPENDITURES**

- A. There are two types of match expenditures:
  - 1. Cash match expenditures reflect additional funds or services (allowable costs) provided and paid for by the grantee from non-federal funds that are in support of grant objectives and outcomes.
  - 2. In-kind contributions are allowable costs and services that are not paid by the grantee, but rather a third-party organization.
- B. These costs and services must support allowable WIOA Title I-B grant activities and outcomes.
- C. The rules that apply to determining the value of such services are found at 29 CFR 97.24(b) (7) and 95.23(c-h).
- D. Examples of leveraged resource activities and funding sources

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include, but are not limited to:

1. Types of Leveraged Resource Activities
  - a. Training
  - b. Tuition Grants
  - c. Other Job Readiness Activities and Service
  - d. Grants or matching funds for certification fees
  - e. Grants of tools or other required job-specific supplies
  - f. Construction or purchase of facilities for housing of grant activities
  - g. Donated supplies, personnel services, equipment, or space
  
2. Types of Funding Sources for Leveraged Activities
  - a. Federal Pell Grants
  - b. Public programs authorized by the WIOA of 2014
  - c. Trade Adjustment Assistance (TAA) program
  - d. USDOL National Dislocated Worker Grants (DWG);
  - e. Arizona State Funding (not from federal funds granted to the state)

**204 LEVERAGED RESOURCE DOCUMENTATION**

All purchases, rentals, and donations must be reasonable and must not exceed fair market value. Fair market value of donated services must be computed as described in 2 CFR 200.306 Cost Sharing or Matching. The value of donated personnel must not exceed the rate and fringe benefits received by Arizona WIOA Title I-B personnel performing the same or similar duties. WIOA Title I-B funds must not be used to evaluate the leveraged resource value.

**.01 Leveraged Resource Approvals**

The WIOA Fiscal Unit will make all final decisions on activities and costs that qualify as a leveraged resource and if they are to be reported on the

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*Accrued Expenditure and Cash Report.* Requests to utilize a service, item, or entity as a leveraged resource must be sent to [WIOAFiscalReports@azdes.gov](mailto:WIOAFiscalReports@azdes.gov).

- A. Requests for approval must include:
  - 1. The funding source;
  - 2. The program's cost;
  - 3. The activity or item; and
  - 4. The benefit to the participant and/or program.
  
- B. Examples of acceptable documentation the local area may submit to the WIOA Fiscal Unit include, but are not limited to:
  - 1. A commitment letter or written agreement from an employer or training provider;
  - 2. A training agreement with an employer detailing the employer's contribution; and
  - 3. A copy of the Pell Grant award letter.

**.02 Supporting Documentation for Leveraged Resources**

- A. Records must be maintained that support the cash match costs within the grantee's accounting system and be available for audit and review. For third-party contributions, the support for the value must be verifiable from sub-grantee records or be maintained by the grantee, including the methods used to determine the value.
  
- B. Supporting documentation must meet the requirements that are in place for all costs charged to the grant program (i.e., time and effort records, and original invoices).



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## **205 REPORTING LEVERAGED RESOURCES**

Once the Local Workforce Development Area (LWDA) has consulted with the WIOA Fiscal Unit on the proposed leverage resource and received approval, the LWDA will begin reporting the leveraged resource on the monthly *Accrued Expenditure and Cash Report*.

- A. Leveraged resources must be reported for each subsequent month thereafter, until the grant is closed.
- B. In reporting the leveraged resources, the *Accrued Expenditure and Cash Report* must include the following:
  - 1. Expended leverage resources will be reported in box 8D(b);
  - 2. Unliquidated leverage resources will be reported in box 8D(c);  
and
  - 3. Total leveraged resource obligations, will be reported in box 8D (d), which will be the sum of the aforementioned boxes.
- C. The WIOA Fiscal Unit will compile, as needed or required, and audit all LWDA reports for consolidation into the quarterly ETA 9130 report sent to USDOL Employment & Training Administration (ETA).

## **206 PROFIT**

Recipients of WIOA Title I-B funds may or may not be permitted to earn a profit under WIOA as follows:

- A. For-profit entities are eligible to be one-stop operators, service providers, and eligible training providers. Where for-profit entities are one-stop operators, service providers, and eligible training

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providers, and those entities are recipients of WIOA Title I-B funds, the recipient or sub-recipient must follow 2 CFR 200.323.

- B. For entities other than one-stop operators, service providers and eligible training programs that are authorized under WIOA Title I-B, 2 CFR 200.400(g) prohibits earning and keeping of profit with WIOA Title I-B funds, unless authorized by terms and conditions of the federal award;
- C. Income earned by a public or private not-for-profit entity may be retained by the entity only when the income is used to continue to carry out the WIOA Title I-B program.