

Arizona WIA Technical Assistance 2014

Presented by Arizona Department of Economic
Security, Division of Employment and Rehabilitation
Services



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

REPORTING



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Monthly Reporting Requirement

- **Reminder:** Accrued Expenditure and Cash Draw reports are due to DES on a monthly basis as per the ADES contract, section 13.0 Reporting Requirements:

13.3: “Failure to submit accurate and complete reports by the 30th day following the end of a month may result, at the option of ADES, in retention of payment. Failure to provide such report within 30 days following the end of a month may result, at the option of ADES, in a forfeiture of such payment...”



Action on Delinquent Reports

- DES will not pay the current report until all prior monthly reports have been submitted.
- DES may choose to impose sanctions such as forfeiture of payment, as stated in the contract
- Will be considered a finding during annual on-site fiscal monitor



Youth In-School / Out-of-School

- At least 30 percent of youth funds are required to be used to provide activities to out-of-school youth. This applies to all youth funds (§ 664.320).
- 30/70 out-of-school / in-school percentage should be reflected on the Accrued Expenditure and Cash Draw Youth Reports in section 9.
- Per WIOA, this is going to be modified as 75% for out of school youth activities



Youth In-School / Out-of-School

- Out-of-school youth expenditures and in-school youth expenditures must equal federal share of expenditures.

B. Cash - Youth Program:		
a. Cash Receipts to Date		\$371,100.00
b. Cash Disbursements to Date	RO12	\$371,307.00
c. Cash on Hand (line a minus b)	207	(\$207.00)
Expenditures and Unobligated Balance - Youth Program:		
d. Total Federal funds authorized		\$414,519.00
e. Federal share of expenditures		\$371,307.00
f. Federal share of unliquidated obligations		\$0.00
g. Total Federal obligations (line e plus f)		\$371,307.00
h. Unobligated balance of Federal funds (line d minus g)		\$43,212.00
C. Program Income:		
a. Total Federal program income earned		\$0.00
b. Program income expended in accordance with the addition method		\$0.00
c. Unexpended program income (line a minus line b)		\$0.00
D. Recipient Share:		
a. Total recipient share required		\$0.00
b. Recipient share of expenditures		\$0.00
c. Recipient share of unliquidated obligations		\$0.00
d. Total recipient obligations (sum of lines b and c)		\$0.00
e. Remaining recipient share to be provided (line a minus line d)		\$0.00
9. Additional Expenditure Data Required		
a. Other Federal funds expended		\$0.00
b. Real property proceeds expended		\$0.00
c. Out of school youth expenditures		\$118,818.00
d. In school youth expenditures		\$252,489.00
e. Summer employment opportunities expenditures		\$35,592.00
f. Total out of school and in school expenditures (Total MUST match line 8B(e))		\$371,307.00



Leveraged Resource - Reporting

Requirement:

The DOL reporting requirements indicate that all leveraged resources must be reported regardless of whether or not there is a match requirement.

Objective:

To ensure all fiscal reports accurately and completely report leveraged resources.



Leveraged Resource - Reporting

What is a Leveraged Resource?

- Leveraged resources are not defined in regulation or any related administrative requirements
- Defined as all resources (Non ETA Federal Funds Sources) used by the grantee or sub-recipients to support grant activities and outcomes.
- All leveraged resources must be expended on costs that are allowable under the circulars.



Leveraged Resource - Reporting

What are some examples of Leveraged Resources?

- Donated Equipment and Supplies/Loaned Equipment –
 - Value assessed shall be reasonable and shall not exceed fair market rental value for equipment and supplies at time of donation or loan.
- Unclaimed Indirect Costs –
 - Value assessed shall be the difference between the indirects that could be expended based upon the indirect cost rate agreement and the amount of indirect



Leveraged Resource - Reporting

What are some examples of Leveraged Resources?

- Donated Space –
 - If the free space is in a building owned by a *non-funded* partner, the assessed value is not to exceed the fair value of comparable rental space as established by an independent third-party.
 - If the free space is owned by a *funded* partner, then the space is valued the operating and maintenance costs only.



Leveraged Resource - Reporting

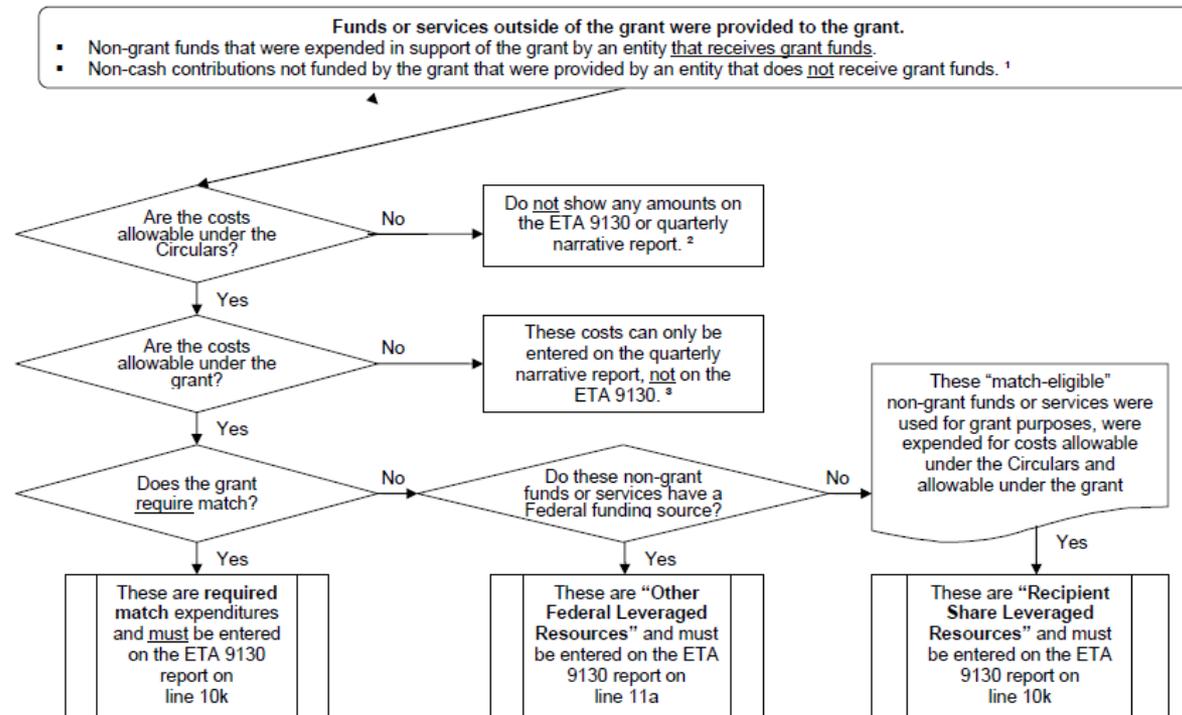
Other important information:

- If a leveraged resource benefits more programs than just WIA, it must be allocated between WIA and the other program(s).
- The supporting documentation should be of the same nature as that maintained for all costs charged to the grant program. (i.e. time and effort records, original invoices, etc.)
- Record all actual costs incurred along with the funding source.
- Contributions by third-parties must include documentation that the contributions were received and how the contributions were valued. The grantee that received the contribution must maintain those records.



Leveraged Resource - Reporting

Match and Leveraged Resources



¹ Referred to as "in-kind contributions"; any non-cash (services, meeting space, etc) must be supported with documentation of reasonable valuation.

² For example, costs for alcoholic beverages would not be included in either the ETA 9130 or the quarterly narrative report

³ Referred to as "non-match." For example, costs of the purchase of a new building are allowable under the Circulars but not allowable under ETA grants.



Leveraged Resource - Reporting

- Example of Fields for Leveraged Resource Reporting by DES.

10. Transactions	Cumulative
Federal Cash :	
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	
Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	
e. Federal share of expenditures	
f. Total administrative expenditures	
g. Federal share of unliquidated obligations	
h. Total Federal obligations (sum of lines e and g)	
i. Unobligated balance of Federal funds (line d minus h)	
Recipient Share:	
j. Total recipient share required	
k. Recipient share of expenditures	
l. Recipient share of unliquidated obligations	
m. Total recipient obligations (sum of lines k and l)	
n. Remaining recipient share to be provided (line j minus m)	
Program Income:	
o. Total Federal program income earned	
p. Program income expended in accordance with the addition method	
q. Unexpended program income (line o minus line p)	
11. Additional expenditure data required	
a. Other Federal funds expended	



Leveraged Resource - Reporting

- Example of Future field for Leveraged Resource Reporting by LWIAs.

c. Unexpended program income (line 6 minus b)	
7. Additional Expenditure Data Required	
a. Other Federal funds expended	
b. Real property proceeds expended	
c. Leveraged Funds realized during the reporting period	



New Quarterly Reporting Requirement

- New Requirement: Quarterly reports will be required. The reports will be cumulative from the beginning of the grant period and will be on an Accrued Expenditure and Cash Report dated as of the end of each quarter.

Quarterly Report Workforce Investment Act - Local Youth Arizona Department of Economic Security Accrued Expenditure and Cash Report for WIA (Follow attached instructions)				
1. Contractor Name		2. PY/FY: PY12 ETA 9130 Report		2a. American Recovery and Reinvestment Act <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. Program Funds or Set-Aside Funds - If Set-Aside Funds, Designate Which Set-Aside Youth Program				
4. Contract Number DE111010-2012	5. Final Report <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
6. Reporting Period From: (Month, Day, Year) 4/1/2012		To: (Month, Day, Year) 3/31/2014	7. Date Submitted (Month, Day, Year) 4/30/2014	
8. Transactions			Cumulative	
A. Cash - Administration :				



Quarterly report – Additional requirement

- Local areas will continue to submit the monthly expenditure as is currently being done
- The quarterly report is an additional report and needs to be submitted within 30 days after the end of a quarter
- The quarterly report will follow the same reporting instructions as is followed for the monthly report, just the period of the report has to coincide with the quarter for which it is submitted
- All local areas must comply with this requirement to enable the State to report accurately on its quarterly federal report



MONITORING



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On-Site Monitoring Guide Improvements

- The Department of Labor has suggested that a number of changes / improvements be made to the current On-Site Monitoring Guide:
 - DES will revise the guide in such a way as to allow for more detailed, complete answers.
 - DES will have more responsibility to follow up on the explanations provided in the guide
 - A completed Monitoring Guide should have all questions answered in sufficient detail to facilitate the monitoring visit.
 - DES will require local areas to complete the guide at least a week ahead of the on-site monitor



On-Site Monitoring Guide Improvements

- Areas of improvement:
 - Local Area Accruals
 - Internal Control
 - Resource Sharing Agreements
 - Indirect Cost Rate Plan
 - Procurement



On-Site Monitoring Guide Improvements

Local Area Accruals – Accrued expenditures to be captured and reported accurately.

- The On-Site Monitoring Guide requires documentation and an example as illustrated below:

“2. How does the LWIA ensure that all costs are reported on an accrual basis? What types of costs make up the accruals (i.e., rent, salaries, contracts, etc.)?”



On-Site Monitoring Guide Improvements

Accrual reporting policy and procedure in the On-Site Monitoring Guide is to be reflected on the Accrued Expenditure and Cash Reports submitted to DES.

For example, on the Accrued Expenditure and Cash Report, line e represents “federal share of expenditures”. That line also includes accrued expenditures. Therefore, line e should be greater than line b.

n. Unobligated balance of federal funds (line a minus g)	\$61,500.00
B. Cash - Youth Program:	
a. Cash Receipts to Date	\$371,100.00
b. Cash Disbursements to Date	\$371,307.00
c. Cash on Hand (line a minus b)	(\$207.00)
Expenditures and Unobligated Balance - Youth Program:	
d. Total Federal funds authorized	\$414,519.00
e. Federal share of expenditures	\$371,307.00
f. Federal share of unobligated obligations	\$41,212.00



On-Site Monitoring Guide Improvements

- Internal Control – Monitoring process to include a status of findings, follow-up and relevant information found in the A-133 single audit.
- Resource Sharing Agreements – Increased verification of cost allocation / cost sharing participation by all benefitting partners.
- Indirect Cost Rate (ICR) Plan – Verification and accuracy of the implementation of the ICR. Monitoring visit to include a test sample of ICR, if applicable.



On-Site Monitoring Guide Improvements

- Procurement – Increased focus on documentation and implementation of procurement standards.



Program – Fiscal Coordination

- The WIA fiscal unit and the program unit are collaborating with the goal to provide more data sharing between the two units.
- Another goal is to accomplish a more inclusive approach to monitoring and technical assistance.
- More Coordination between LWIA Program and Fiscal.
- OMB A-87



COMMON FINDINGS



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Common Findings

- Accruals not reflected on Accrued Expenditure and Cash Reports.
- Advertisement that promotes the government unit as a whole.
 - “Funded by the Department of Labor - WIA program, that serves Youth, Adults and dislocated workers”
- Mortgage payment for One-Stop location is found to not be limited to use allowance or depreciation expense.



Common Findings

- Food expenditures continue to be a challenge. In evaluating expenditures for food purchases, consider these 4 elements:
 - Reasonability of the cost
 - Repetition/frequency
 - Identify the meals provided in terms of an extreme circumstance as those would be allowable
 - Identify if technical information was exchanged (The local area should provide a list of attendees & information exchanged.)



Common Findings

- Supportive Service expenditures should be temporary assistance, rather than a long-term proposition.
- Larger expenditures should be limited per participant so that all participants can equally benefit from available funding dollars. The key is to have an equitable distribution among participants.
- A good rule of thumb is that an individual should not have significant support expenditures for more than two times within a 12 month/ 18 month period for housing or car repairs.
- DES will consider reasonableness and repetitiveness as a guide for evaluating support service payments.
- Local Areas must have a comprehensive supportive service policy.



Common Findings

- Complete a DES J-320 form called Equipment Transfer / Surplus Request if items are disposed of or moved to surplus.

J-320-RF (12-11) ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Equipment Services Unit
EQUIPMENT TRANSFER/SURPLUS REQUEST

Place an (X) in the appropriate box that applies. Do not mix surplus and equipment transfer requests on the same form. Complete a separate form for each transaction type.
 Equipment transfer Surplus transfer

DOES THIS EQUIPMENT REQUIRE FEDERAL APPROVAL FOR DISPOSAL?
 Yes No If yes, a copy of the letter authorizing the disposal must be faxed to (623) 907-2193 within 24 hours of submitting the J-320. We will not pick up any equipment unless this letter is received.

Yes No Was DTS IT Standards and Policy 1-38-0016, "Media Sanitizing/Disposal Policy" followed?

SPECIAL INSTRUCTIONS OR COMMENTS:

TRANSFER EFFECTIVE DATE

TRANS. COST CTR (ORGN) TRANSFERRING PROGRAM

TRANSFERRING OFFICE ADDRESS (No., Street, City, ZIP)

CONTACT PERSON AT TRANSFERRING OFFICE PHONE NO.

REC. COST CTR (ORGN) RECEIVING PROGRAM

RECEIVING OFFICE ADDRESS (No., Street, City, ZIP)

CONTACT PERSON AT RECEIVING OFFICE PHONE NO.

***For Surplus: For REC. COST CTR. type in 128D and for CONTACT PERSON AT RECEIVING OFFICE type in Surplus**

CONDITION CODES: 1. Excellent 2. Good 3. Fair – minor repairs 4. Poor – major repairs 5. Condemnable

Asset Tag No.	Item Description	Mfg.	Model No.	Serial No.	Cond. Code	Rec'd
_____	_____	_____	_____	_____	_____	<input type="checkbox"/>
_____	_____	_____	_____	_____	_____	<input type="checkbox"/>
_____	_____	_____	_____	_____	_____	<input type="checkbox"/>



Common Findings

Resource Sharing at One-Stop centers

- Every local area should ensure that each participant-agency in the one-stop system pay their fair share. Need to know who is participating in the one-stop system as a whole (i.e. an inventory of who is participating at the one-stop), not just the brick and mortar locations. Each participant-agency must be specifically identified and quantified as to how it benefits the WIA grant.



NEW AND UPCOMING



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New / Revised Fiscal Policies

DES will soon issue policy on :

Allowable Costs

Individual Training Accounts

Tuition Reimbursement

Leveraged Resources

Record Retention

Incident Reports



Arizona Job Connection – FiscalLink Update

- A new feature in FiscalLink estimated to be available next July will allow users the ability to enter/edit all data for internal reports.
- Reports will be tied to the existing Allocation Management system, budgets and expenditures.
- The AJLA is currently in process of reviewing the DES WIA databases for integration into FiscalLink and reviewing DES requirements.



Thank You!



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