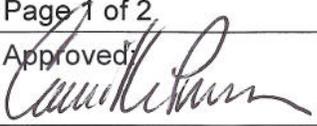


Department of Community Colleges and Workforce Development	Number: 589-10.16
	Revised Date: 08/14/08
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SUBJECT: Workforce Investment Act Title IB Financial Management Standards	Approved: 

Purpose: Specifies the minimum requirements that must be maintained by subrecipients of Workforce Investment Act (WIA) funds for financial management systems.

Policy: Grantees, subrecipients, and contractors funded under the Workforce Investment Act, (WIA) Title IB, whether in whole or in part, must abide by the Workforce Investment Act of 1998, the WIA Regulations, Department of Labor guidance, all applicable Office of Management and Budget (OMB) circulars, state regulations, laws and rules (Oregon Revised Statute and Oregon Administrative Rules), and the Department of Community Colleges and Workforce Development (CCWD) policies.

Financial systems shall allow for effective fiscal and internal control and accountability for funds, property, and other assets to ensure they are used solely for authorized purposes. All subrecipients shall maintain all data elements used in required federal reports in accordance with established program definitions contained in the Act, regulations, and state policies.

Accounting systems shall meet and follow the current Generally Accepted Accounting Principles (GAAP) as provided by the National Council on Government Accounting and demonstrate compliance with legal and contractual requirements.

Accounting systems shall follow consistent rules for aggregation of detailed data to summary level:

- Accounting systems will compare budgeted amounts to actual expenditures including proper charging of costs and cost allocations.
- Information pertaining to subgrant and contract awards, obligations, unobligated balances, assets, liabilities, expenditures, income, program income, matching and stand-in costs.
- Permit the tracking of funds to a level of expenditure adequate to establish that funds have not been used in violation of the WIA.

Written procedures shall be in place for determining allowability and allocability of grant costs. Accounting records may be maintained on a cash or modified accrual accounting basis. For reporting purposes only, financial data shall be submitted on an accrued expenditure basis.

Accounting systems shall provide for accurate, current, and complete disclosure of all expenditures including but not limited to those from grants, contracts, or agreements. The costs shall be traceable to a level of detail that establishes compliance with WIA applicable laws and regulations.

Annually, each Local Workforce Investment Area's (LWIA) fiscal agent shall provide for an internal audit of its own financial operations in accordance with generally accepted auditing standards for audit of governmental organizations, program activities, and functions. (However, the auditor need not meet the criteria for independence.) A separate external audit is also required in accordance with the CCWD Policy on Audit Requirements and Audit Resolutions. LWIAs are responsible for audits of their subrecipients.

Procedures:

Responsibility

Action

Fiscal Agents/
Subrecipients

Establish and maintain a financial system that assures financial integrity and control of WIA funds in conformance with the prescribed definitions.

CCWD

Monitor the subrecipient for compliance with this policy.