

West Central Region Accounting Manual – Financial Policy



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I. FINANCIAL MANAGEMENT/INTERNAL ACCOUNTING

The Workforce Development Board of Western Missouri, Inc., (WDB) in compliance with generally accepted accounting principles (GAAP), has developed and maintains a system for financial records. The system ensures that only proper use is made of federal and state funds. Financial duties are separated such that no one person is solely responsible for receipts, disbursements, payroll, and bank reconciliation. All or some of the responsibilities of the fiscal operations may be delegated to other staff by the Executive Director. All employees are required to comply with OWD's Confidentiality and Information Security Plan (available at <https://jobs.mo.gov/dwdissuances>) as well as the WDB's Confidentiality Policy located at www.skillupmissouri.org/policies. The plan and policy explain how Personally Identifiable Information will be protected. Proper safeguards will be taken to ensure the security of all records and documents to include locked file cabinets, as appropriate and the requirement of two staff members being present when opening and closing the organization's safe with appropriate documentation. Adequate documentation supports all entries; records are maintained such to leave a good audit trail, while protecting the integrity of the state/federal funds. **Accrual** basis accounting is used. MIP, an integrated self-balancing computerized system is used to maintain the General Ledger, Accounts Payable, and Payroll. The password for the system is changed every 90 days. Monthly reports are generated through the system. Financial reporting is prepared directly from the Trial Balance. Specifics of the plan are as follows:

A. Cash Management

The WDB is responsible for the cash balances for itself and its Subrecipients. Excess cash balances, defined as any amount in excess of a three (3) day cash balance on hand are not acceptable. Excess cash is monitored monthly, and is reviewed annually during the OWD financial monitoring. If any agency shows a recurring problem with excess cash, the WDB may impose additional restrictions on cash flow. Cash advances may be requested in writing by a Subrecipient Agency in accordance with

contract provisions. Unless drawing cash advances, Subrecipients are reimbursed for actual costs, eliminating the excess cash situation.

WDB and its Subrecipient must maintain formal monthly trial balances that are initialed and dated by the preparer. The trial balance must be prepared prior to the preparation and submittal of the monthly Contract Progress Report (CPR).

B. Cash Receipt

Funds may be received from both state/federal, and non-state/federal sources. The WDB has three checking accounts to which funds may be deposited, one for state/federal resources, one for vacation benefits and the other for non- state/federal sources of income. State/federal deposits are made through electronic transfer. All other deposits are made within three working days of receipt. The WDB maintains a cash-on-hand balance of no more than three (3) days of need. Cash receipts are tracked through the computerized accounting system. Cash received from OWD must be checked against the cash requested from OWD. The OWD must be contacted immediately if any differences are noted.

Funds are collaterally insured through a banking institution for a minimum of \$250,000 over the FDIC coverage. All employees of the WDB are bonded at a minimum level of \$100,000 each. Employees with fiscal responsibilities including cash receipts, accounts payable, bank reconciliation, cash disbursements, and/or authorized signature are bonded at a minimum level of \$250,000 each.

C. Accounts Receivable

All Accounts Receivable balances are reviewed monthly and reconciled no less than annually and maintained by funding source.

D. Accounts Payables

The Accounts Payable is maintained by payee with breakdowns for each funding source. Other payables are also established which could allow for accruals of wages, benefits, withholding taxes, and/or other disbursements.

E. Cash Disbursements and Purchasing

Cash disbursements are made from two (2) separate checking accounts representing 1) state and federal grant funds resulting from program activities, and 2) non-state/federal funds for cash receipts of non-program sources and disbursements outside the scope of applicable grant(s).

F. Preprinted, Sequentially Numbered Checks

The state/federal funds account has three-part computerized checks. Each preprinted set of checks is sequentially numbered independent of each other. Manual checks are posted to the accounts payable system by the Accounting Specialist. Manual checks are rarely used. **Check stubs of the computerized checks are filed numerically as backup to the Accounts Payable system, checked regularly to ensure that no break in the numerical order of the checks exists.**

The account for non-state/federal funds has both manual and three-part computerized checks, and has a limited number of transactions. The account has been incorporated into the general ledger system used to track state and federal funds in accordance with generally accepted accounting principles (GAAP). Funds in this account are subject to the same internal controls as state/federal funds.

Voided checks are canceled by writing “void” across the face and tearing out the signature area. Voided computer checks are noted on the numerical filing of the check copy and filed.

G. Signatures

Both accounts require the signature of two persons, the Executive Director and the Chairperson of the WDB. The Vice-Chairperson of the Board may sign checks in the absence of the Executive Director. The signature of the Chairperson is obtained through the use of a signature stamp which is held by the Accounting Specialist and affixed to the check.

Blank checks and undelivered checks are safeguarded against theft or misuse, as is the signature stamp of the WDB Chairperson. The signature stamp is secured in a locked cabinet. Two staff must be present to remove the signature stamp from the cabinet. A log is maintained each time the signature stamp is used, denoting the series of checks to be signed and initialed by both staff.

Checks are never signed in blank.

H. Bonding

Bonding is held for all personnel at the WDB at a minimum level of \$250,000 each.

I. Travel Expense – Staff

Employees of the WDB shall be authorized compensation for travel during the conduct of official business, as outlined in the Personnel Policies. All Staff travel will be authorized or approved by the Executive Director.

Board approved reimbursement rates for in-state and out-of-state travel are used.

The Executive Director or designated agent may authorize a travel advance to any employee based on the **need**, character and probable duration of the travel to be performed. They are then deducted from the next travel expense voucher prepared by the employee, approved, and paid through accounts payable. **If a staff person is paid an advance and travel does not take place for any reason, the advance will be deducted from the next submitted travel expense voucher and subsequent vouchers, if necessary, until funds are recuperated. If fund recuperation is not obtained by the end of the program year staff will pay the remaining amount back to the WDB.**

Travel expenses of the Executive Director will be reviewed and approved by the Board Chair. Travel advances are not intended for travel away from the office for trips lasting 12 hours or less but are intended to be available for stays lasting more than one business day. An assessment of planned travel lasting more than one day will be required in writing prior to a travel advance.

A Travel Advance Request form is prepared by the person requesting the advance. Board-approved reimbursement rates are taken into consideration when determining the allowable travel advance. For travel advances and travel reimbursement, the travel voucher will serve as the requisition and purchase order. Documentation necessary to verify advances, hotel charges, and other expenditures are attached to the travel voucher, reviewed as outlined in the Cash Disbursements process prior to

payment.

A rental car may be obtained by a WDB staff person if the cost is no more than reimbursement for mileage in their own vehicle.

J. Travel Expense – Board Members

Members of the Workforce Development Board of Western Missouri, Inc. receive no remuneration for their services, except that members traveling to participate in meetings will be reimbursed for actual and necessary expenses as approved by the board.

Reimbursement for travel is authorized for official Workforce Development Board business within the budgetary limits established in the annual budget. Board members should exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business.

A travel expense form must be completed and signed by each board member. The completed form should be submitted to the Workforce Development Board Executive Director for approval and processing. Expense forms should be submitted no less frequently than quarterly and no later than 7 days after the end of the fiscal year.

No reimbursement will be provided if the traveler receives reimbursement through other sources.

The rate of reimbursement for use of a privately owned vehicle will be that of the mileage rate established by the Internal Revenue Service. Reimbursement will be for actual miles traveled using the shortest practical route.

In the event a board member for convenience travels by an indirect route or interrupts travel by a more direct route, the extra expense will be borne by the board member. Reimbursement for travel costs will be made based on the costs incurred by the principal driver only where two (2) or more individuals are traveling in a vehicle together.

Tolls, garage, and parking fees are reimbursable with receipt.

K. Meal Reimbursement

Reimbursement of employee/board member travel expenses for meals

will be made at the board approved rates for in-state and out-of-state travel. Meal reimbursements are for approved travel only, (*staff travel must be approved by supervisor and/or executive director*), and do not require a receipt. Meal costs incurred are paid at a flat rate; a 15 percent gratuity is allowed above the meal allowance.

Meal reimbursement while conducting a normal job-related activity within the region, tied to a staff person's position description, will not be considered allowable without special permission of the supervisor or executive director. The meal allowance for breakfast, lunch, and dinner is allowed only for travel conducted outside of normal job-related activities, or while traveling outside of the West Central Region. This would include meetings, conferences, and/or training taking place across a meal period. Breakfast will only be allowed when associated with an overnight stay, or if travel tied to an allowable reimbursement activity occurs prior to 6:30 a.m.; dinner will be allowed for travel after 6:30 p.m., or with an overnight stay.

Effective September 26, 2018, the board approved reimbursement rates for meals are as follows:

In-State, Rural	\$12 / \$14 / \$22
In-State, Urban	\$15 / \$17 / \$25(<i>Jefferson City, Kansas City, St. Louis, Springfield, Lake Ozark, Branson</i>)
Out-of-State	\$15 / \$17 / \$30

L. Food Provided at Planned Events

Food provided at planned events (workshops, conferences, trainings and meetings) sponsored by WDB are permitted as long as the program allows for such expenditures. All food expenditures must have prior approval of the Executive Director.

Meals and breaks include breakfast, lunch, dinner, food snacks, and/or beverages, and are defined as follows:

Beverage breaks may include coffee, tea, soda, and ice water. The most cost-effective means for providing beverage breaks must be used.

Snack breaks may include coffee, tea, soda, and ice water, and an

assortment of cookies/brownies, popcorn/pretzels, or similar snacks. The most cost-effective means for providing snack breaks must be used.

Meals may include hot or boxed lunch, including entrée, side, and beverage. Meal costs (including service charges and fees) must not exceed allowable per person meal allowance rates (see personnel policy meal reimbursement rates) or continental United States (CONUS) rates.

Facility and/or vendor deadlines for cut-off dates and/or cancellation terms and conditions must be observed without exception.

The following documents must be included on purchase order/ invoice before payment:

Purchase Authorization form with written justification for food at the event, target audience description, estimated number of people attending, and estimated cost.

Invoice/receipt with attached agenda prepared prior to the meeting and a signed attendee list. The attendee listing must have signatures of all persons eating at the event where food was provided.

Signed contract with the facility and/or vendor, if applicable.

M. Special Event Recognition

Service awards, retirement gifts and holiday gifts may be purchased to recognize and reward staff and board members.

Awards and gifts may be given to Workforce Development Board members and staff for non-performance related recognition, (i.e., years of service, retirement, board service, and holiday gifts). This policy does not preclude board members or staff from giving personal gifts to their colleagues provided WIOA funds are not utilized.

The length-of-service awards may only be given at five-year intervals. (i.e., Five-year anniversary, ten-year anniversary, etc.) Length-of-service and/or retirement gifts will not be given to employees with less than five years of service. The WDB employee must be in active service on their anniversary date to receive the length-of-service award.

All awards/gifts may be in the form of tangible personal property (plaques, gavels, crystal, etc.) valued at less than \$100. Tangible personal property awards/gifts that exceed a \$100 value are considered income and are taxable. (*Gift certificates, gift cards, cash or checks in any amount are considered income and are taxable*).

The award or gift must be presented as part of a special event that marks the occasion and should be presented during the year the anniversary/retirement/holiday occurs

Food provided at special events may include coffee, tea, soda, punch, finger foods, cakes, cookies, and pies. The most cost-effective means for providing food/drink must be used. Food expenditures may not exceed \$75 and must have prior approval of the Executive Director.

Board member service awards and board member retirement recognitions will be recommended and approved at the discretion of the Executive Committee dependent upon funding.

Employee service awards, retirement recognitions and holiday gifts will be recommended by the Executive Director and approved by the Executive Committee dependent upon funding. All awards/gifts' expenditures must have prior approval of the Executive Director.

The payment of bonuses as defined in IRS Publication 535 will not be considered an allowable expense, however, awardments may be considered based on performance, retention, budgets and board approval.

N. Equipment

Equipment is maintained in accordance with the Act, applicable Uniform Guidance 2 CFR Part 200 and Part 2900, Federal Register and any state procurement policies. Local procurement/equipment regulations may also be imposed by the WDB.

Procurement policies will be passed on to Subrecipients through their contracts. The WDB performs, reconciles, and documents a physical inventory which must take place by the end of December each year. **The inventory will be conducted by a staff person in the Job Center and reconciled by a WDB staff member.** The physical inventory is completed on-site by the Job Center staff and signed and dated by the individual.

Once a WDB staff person reconciles the inventory they will sign and date the form providing two signatures on the final inventory sheet.

Equipment records must include the following data columns:

- Unit acquisition cost
- Acquisition Date
- Description of equipment purchased
- Serial Number
- Funding source including the FAIN number
- Percentage of Federal participation in the equipment cost
- Title of ownership
- Current use of equipment
- Location of equipment
- Date of last physical inventory
- Condition at last physical inventory
- Disposition date (date of disposal, sale price or market price, method used to determine fair market value)

Any equipment lost, stolen or damaged must be reported to the WDB immediately. The WDB may institute an investigation into any loss, damage, or theft of equipment, and may require police reports and other similar documentation as form of evidence.

Equipment must be utilized in the program or project for which the equipment was acquired as long as needed, whether or not the project or program continues to be supported by the WDB. Subrecipient(s) must not encumber the property without prior approval of the WDB.

Adequate steps must be taken to maximize the realized amount of proceeds from the disposition of equipment. While proceeds from the sale of equipment are not Program Income, they shall be reported to the OWD on CPR in a manner similar to that of Program Income.

The OWD requires Subrecipient(s) to request prior approval from the OWD before disposing of any supplies worth more than \$5,000. Supplies with a current per-unit fair market value of \$5,000 or less may be retained or disposed of with no further obligation to the OWD.

Supplies: The Uniform Guidance defines supplies at 2 CFR 200.94 as “all tangible personal property other than ... equipment.” This definition utilizes the per-unit fair market value of \$5,000 threshold to distinguish between what can be classified as supplies or equipment. Thus, all tangible personal properties acquired with a per-unit fair market value of less than

\$5,000 shall be considered supplies.

O. Audit

An annual independent audit for the WDB will be conducted under the guidelines of the Single Audit Act Amendments of 1996, in compliance with 2 CFR Part 200, Subpart F as revised and/other applicable funding source guidelines. Selection of the auditor/audit firm will be the responsibility of the Finance and Audit Committee, with the assistance of the Executive Director or other designee. Selection of the auditor is handled through a Request for Bid process at a minimum of every three (3) years. The Finance and Audit committee may elect to renew contracts annually. The final review of the audit is conducted by the Committee, who then presents it to the Full Board for acceptance (usually at the January meeting). The final report will be completed within six (6) months of the close of the fiscal year on which the audit is being performed Pursuant to 2 CFR 200, Subpart F§200.15(b), WDB must notify OWD within two (2) business days of submitting reporting package and data collection form to the Federal Audit Clearinghouse (FACA). WDB must also notify OWD within 14 business days of FAC's acceptance of our audit. Notifications to OWD shall be sent to the assigned OWD email address. WDB must submit a copy of any management letters issued by the auditor to the OWD within fourteen (14) business days after submitting reporting packet and data collection form to the Federal Audit Clearinghouse (FAC). Copies of management letters shall be sent to the assigned email address.

The independent auditor will be engaged through the RFP process to prepare the Data Collection Form and any extensions necessary in the preparation of the audit or related federal forms.

P. Program Income

Program Income is defined as income received by the WDB or its Subcontracting Agencies directly generated by a contract or subcontract-supported activity, or earned only as a result of the contract or subcontract. Subcontracting Agencies may be required by contract to prepare quarterly Program Income Reports, which identify revenues by funding source and year earned. Program Income must be used to fulfill the purposes of the contract/funding source, and must be used prior to the submission of the final report for the funding period of the program year to which the funds are attributable. Program Income not used for the purposes of the contract and within the described period must be returned

to the WDB as part of the final reporting process.

Any interest income earned up to \$500 may be retained by WDB or their subrecipients for administrative expense. Interest income in excess of \$500 must be remitted to OWD for onward remittance to the US Department of Labor.

Q. Stand-in Costs

Stand-in costs are those costs attributable to the/a specific Workforce Innovation and Opportunity Act (WIOA) or other federal program and are reported as uncharged or non-reimbursed WIOA (or other) costs by the WDB or its subrecipients. Subcontracting Agencies may be required by contract to prepare quarterly Stand-in Cost Reports. If properly identified and included in the Scope of the Agency's annual audit, Stand-in Costs may be used to offset disallowed costs by the WDB or funding source during audit resolution.

R. Transfer of Program Funds

Subject to the Governor's approval, Section 133(b)(4) of WIOA authorizes the transfer of funds between the Adult and Dislocated Worker programs of up to 100 percent of these programs' annual allocations. Transfer requests of up to 20 percent of the original allocated or re-allotted formula allocation will be submitted through the FRS system. Subrecipients cannot transfer funds to or from Youth allocations.

Transfers from Adult funds to undertake Dislocated Worker program activities must continue to maintain "Adult fund identity". Likewise, transfers from Dislocated Worker funds to undertake Adult program activities must also continue to maintain "Dislocated Worker fund identity".

S. Credit Cards

The WDB Finance and Audit Committee will approve the issuance of a bank-issued or company-issued credit card (i.e., Wal-Mart). All staff using the card(s) will be held personally responsible in the event that the charge is deemed personal or unauthorized.

The bank-issued Visa card will have a credit limit set by the board of directors. Currently the limit is \$20,000.

The Executive Director will determine which staff are authorized to use the credit card(s). When the card(s) are not in use they will remain in a secure location.

Employees must submit a requisition that explains the business reason for items purchased. Prior to using the credit card, the Executive Director or another position appointed by the Executive Director must approve/sign the requisition.

Authorized uses of the credit card may include:

- Airline or rail tickets (at coach class or lower rates) for properly authorized business trips.
- Lodging.
- Shuttle/taxi service/bus when traveling on official business.
- Properly authorized expenditures for which a credit card is the only allowed method of payment.

Unauthorized use of the credit card may include:

- Personal or non-business expenditures of any kind.
- Cash advances, payroll advances, bank checks, traveler's checks, ATM withdrawals. Unauthorized purchases also include: alcohol, personal entertainment, and fuel for personal vehicles.
- Expenditures which have not been properly authorized or procured.
- Every instance of a credit card or other purchase use must be documented with receipts. All receipts for items purchased must be returned to be attached to the requisition. The person making the purchase must sign the receipt.
- Lodging – provide an itemized receipt from the hotel detailing every charge and the name of the person(s) for whom lodging was provided. The hotel receipt must display a zero balance at the time of check-out.
- Other Expenditures – A receipt from the vendor detailing every

individual goods or service purchased.

- Reimbursement of goods or services must be credited directly to the credit card account. Employees should receive no cash or refunds directly.

Monthly all receipts will be double checked against the credit card statement and attached to the purchase order.

WDB staff must immediately notify the Executive Director and the bank in the event that the card is lost or stolen.

Violations of the credit card policy may result in disciplinary action, up to and including termination of employment, and where appropriate, criminal prosecution.

In the event a staff person leaves employment with the WDB or a subrecipient with a credit card still in their possession, the credit card will be cancelled immediately.

II. CASH RECEIPTS

Requests for funds from the Office of Workforce Development or other state/federal agency are prepared by the Accounting Specialist from the Financial Reporting System (FRS) to ensure that available cash does not exceed reimbursable expenses and the cash need is for no more than three (3) days. The Executive Director will sign off on cash draws before the requests are entered into FRS. An electronic report is generated by the Financial Reporting System and sent to the Executive Director weekly detailing the amount of cash requested by funding source for review.

State/federal funds are received through electronic transfer to the WDB account designated for such funds. Direct deposit transmittals received from the Office of Workforce Development for state/federal funds are compared for accuracy by the Accounting Specialist against cash requests and posted to the receipts journal.

Violations of the credit card policy may result in disciplinary action, up to and including termination of employment, and where appropriate, criminal prosecution.

In the event a staff person leaves employment with the WDB or a subrecipient with a credit card still in their possession, the credit card will be cancelled immediately.

All deposits not received through electronic transfers are recorded in a check log containing the following information: date received, sender, amount, and initials of receiver/endorser. The deposits are adequately safeguarded in a locked location until such time that the deposit may be made.

The internal control procedures for handling all deposits not received through electronic transfers is:

- Mail is opened by designated staff person.
- Checks for deposit received in the mail are given to a staff person that does not make the actual deposit. That staff person will record the deposit on a deposit log, restrictively endorse the back of the check "*for deposit only*" and prepare the deposit slip, the check and deposit slip will be given to a staff person who makes the deposit in a FDIC insured banking institution within three (3) working days.
- The designated employee returns the deposit receipt to the staff person in charge of the check log and makes note of the deposit on that log.

All cash receipts/electronic transfers are entered into the general ledger by the Accounting Specialist.

Cash Receipts/electronic transfers are reconciled to the billing, progress report, cash request, or other form used to request cash by the Accounting Specialist.

The Executive Director will reconcile the cash receipts to the bank statement at the end of each month to ensure accurate deposit. The cash receipts journal is reconciled at month's end to the bank statement for total deposits for accuracy by the Executive Director.

Funds exceeding FDIC coverage have a Pledged Collateral Statement (bank collateral agreement) of no less than \$250,000 over the FDIC coverage.

III. CASH DISEMBERSMENTS

Cash disbursements are made from two (2) separate checking accounts representing 1) state and federal grant funds and 2) non-state and federal grant funds. Both accounts require proper requisitions. Procurement requests may be made by any staff member of the WDB and Functional Leaders (Job Center Managers). A requisition is prepared requesting the purchase of an item(s). Information required on the requisition includes person requesting purchase, vendor, and price per item from lowest bid if applicable, quantity, total amount, and date of request. (Items such as phones, utilities, rent, etc. are considered recurring expenses and will not require a requisition.)

- Requisitions are approved by the Executive Director or their designee. Approval is made after reference to the budget for fund availability, determination of cost reasonableness, and determination that the item is both necessary and allocable. For items over \$5,000 which are for personal or real property (not for program expenditures), written approval is required of the Chairperson of the WDB and the Executive Director. All unit purchases under direct contracts with OWD of \$5,000 or more (personal or real property) require approval by the Office of Workforce Development.
- The requisition is forwarded to the designated staff person to make the actual arrangements for the purchase including delivery date.
- If the requisition is not approved, the requisition is filed away in a file marked “purchase denied” and cannot be resubmitted.
- When the requisition is approved and requires payment by check or ACH, it is then forwarded to the Accounting Specialist who prepares a pre-numbered purchase order.
- The Executive Director shall sign and date the purchase order. In the absence of the Executive Director, the Board Chair will sign and date the purchase order.
- The Executive Director or their designee shall approve all staff and subrecipients staff expense reports. The Board Chair will review and approve the expense reports of the Executive Director.
- When goods or services are received, they will be checked against the requisitions to see that the item(s) requisitioned are the item(s)

received. The invoice for purchased goods or delivery of personal service(s) will be attached.

- The requisition and purchase orders are held in a payables file by the Accounting Specialist until the next check-writing date.
- The Executive Director will review all bids (if applicable) that are attached to verify that proper procedures have been followed. In the competitive bid process a written determination of the selection of the vendor is attached. **The Accounting Specialist sends a list of payments to be prepared to the Board Chair for signature and the Vice Chair and Chair of Finance and Audit for review. The Accounting Specialist then prepares the check, fills out the check number and date of check on the purchase order and attaches the check to the purchase order and returns them to the Executive Director for signature. Payments may also be made via Automated Clearing House (ACH) through US Bank. These payments are entered into SinglePoint by the Accounting Specialist. The Executive Director then logs into the account and approves the payment. The Executive Director also reviews all disbursement materials at this time for accuracy and completeness.**
- **The Executive Director delivers the batched checks/requisitions/purchase orders to the Accounting Specialist to affix the signature of the Chairperson of the WDB.**
- The Accounting Specialist mails the check(s) directly to the payee. A copy of the purchase order (marked “paid”) is recorded in an appropriate accounts payable file (with attachments). The second copy is maintained in a numerical file to ensure that all purchase orders are accounted for. It is the responsibility of the Accounting Specialist to maintain the accounts payable and numerical purchase order files.
- If at any time during steps these steps, if a step cannot be completed in its entirety, all checks, requisitions/purchase orders are placed in a secure location until such time that the process may be completed. At all times, safeguards are taken to protect the check from theft or other loss

Guidelines for preparation and authorization of disbursements:

- Blank and unsigned checks are kept in a locked secure location.
- Checks are pre-numbered and used in sequential order.
- Checks will not be prepared from monthly statements.
- Checks will not be made out to “Cash,” “Bearer,” or Petty Cash.”
- Checks will not be prepared by verbal authorization.

Bonding is held for all personnel at the WDB at a minimum level of \$250,000 each.

IV. PROCUREMENT

The Workforce Development Board of Western Missouri, Inc., (WDB) will provide and perform services in accordance with the procurement guidelines outlined under the [Uniform Guidance, 2 CFR part 200.317-200.326] , and all revisions thereto, which by this reference are incorporated hereto and made a part thereof, as if fully rewritten. A deviation from the guidance is identified under Paragraph D., where the purchasing limit for a formal advertised competitive bid purchase has been reduced from \$150,000 to **\$25,000** the Office of Workforce Development recognized limit for formal competitive bid purchases.

The Workforce Development Board of Western Missouri, Inc., (WDB) will adhere to the laws concerning allowable and unallowable costs. Each entity shall comply with Uniform Administrative Requirements applicable to their organization as codified at 2 CFR 200.

For an expenditure to be allowable it must:

- Be related to the WIOA program.
- Be necessary and reasonable for the performance of the Federal award and be allocable under these principles.
- Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-Federal entity.

- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Be determined in accordance with generally accepted accounting principles (GAAP).
- Not be included as a cost used to meet cost sharing matching requirements of any other federally financed program in either the current or prior period.
- Be adequately documented and able to trace expenditure to CPR.
- Be allowable under the Wet Central WDB contract term.
- Not violate any Federal, State or local law.
- Be reasonable in quality and cost.
- Be necessary for the operation of the program.
- Be included in the line-item budget.

Unallowable costs will be determined as

follows:

- Any penalty for delinquent payments shall not be an allowable cost.
- The personnel, facilities or funds of the WIOA contract shall not be utilized for a partisan political activity or lobbyist activities.
- Costs of insurance offering protection against debts established by the Federal or State Government.
- Costs of legal expense for the prosecution of claims against the Federal or State Government.
- Costs of legal services by the chief legal officer of a local government or staff solely for the purpose of discharging general responsibilities as a legal officer.
- Costs for entertainment.
- Cost of food and beverage unless there is an agenda and sign-in sheet. This does not apply to cost of food and beverage while traveling.
- Any cost specified as unallowable in the applicable uniform cost principles included in the appropriate OMB Circular for the type of entity receiving the funds.

- Sales Tax if the purchase was made in Missouri.
- Cost principles for State and Local Government Circular #A-87 gives some general guidelines for OWD contracts. This Circular is not the only applicable legislation, but should be used as a general guideline.
- Cost of alcoholic beverages.

The following internal guidelines will be adhered to for all single item purchases, unit purchases, or one-time purchases from a single supplier. Procurements shall be conducted in a manner which provides and encourages full and open competition consistent with the standards provided in section 200.319 of 2 CFR 200. Each step within the procurement process shall be fully documented and shall support the purchasing decision. WDB's procedures will avoid acquisition of unnecessary or duplicative items.

- Purchases shall not be separated or broken down into several smaller purchases to avoid procurement procedures.
- Micro-purchases (purchases of \$500 - \$3,000): Secure two (2) telephone or electronic bids for these purchases. WDB will distribute micro-purchases equitably among qualified suppliers when pricing and delivery methods are reasonably equal.
- Small Purchases (purchases of \$3001 - \$150,000): Secure three (3) telephone or electronic bids for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold (as of publication of 2 CFR Part 200, the Simplified Acquisition Threshold is \$150,000). It is generally used when conditions are not appropriate for the use of sealed bids. Small Purchases of \$25,000 or more must have prior Board approval.
- Competitive Sealed Bid Proposals (of \$25,000 and above): Formal Advertised Competitive Bid-Purchase of \$25,000.00 or more; but can be less if the nature of the purchase (space, auditor, subrecipients, including Youth program subrecipients, etc.) warrants a competitive bid-purchase. (OWD limit is \$25,000. Uniform Guidance limit is \$150,000.)

Procurements of this nature require the following guidelines:

- Board Approval
- Bid Proposal Purchases/Contracts of \$25,000 or more must have prior Board approval.
- Advertisement/Notification:
- To foster competitive procurement in accordance with WIOA guidelines, the WDB maintains a list of potential bidders who receive the Notice of Request for Proposal either by mail or via electronic means. That list is updated periodically as the WDB becomes aware of new/different organizations that might have an interest in providing services. The Notice of Request for Proposal is posted on WDB's website, (skillupmissouri.org).
- Number of Proposals Required:
- The formal advertised competitive bid process does not have a minimum number of proposals required, but every reasonable effort will be made to solicit more than one bid response. Should only one bid be received or deemed responsive, a reasonableness of cost and price analysis must be completed as referenced in the Uniform Guidance, Part 200.320 (c)

Request for Proposal (RFP) or Request for Bid (RFB) Preparation

- *The RFP indicates what is to be accomplished and requests from the bidder how it is to be accomplished and at what cost. A list of those who received the RFP must be maintained and filed in the permanent file as part of the documentation afterward. The RFP must contain the proposal submission requirements and the proposal evaluation method. Bid selection and award is based on the evaluation criteria. Contractor / Subrecipient selection must be documented in writing.*
- *An RFB contains a precise statement and complete specifications of what will be purchased, allowing only one interpretation. It allows no choice in how the work will be accomplished; it essentially requests only a cost from the bidder. Bid comparison and contractor selection is made on the basis of meeting the bid selection criteria, reasonableness of cost, allow-ability, and whether it meets the identified need(s).*

Lowest bid may not always be the best award. The bid award(s) must always be in the best interest of the program. Contractor selection must be documented in writing.

The distribution of the RFP (RFB) will be made to anyone responding to the Notice of Request for RFP (RFB) written solicitation or the website. Distribution shall be made no sooner than the date and time named in the bid solicitation. The RFB (RFP) will be distributed to known vendors in an attempt to get as many bids as possible.

A questions and answer period may be held electronically and all questions and answers received posted to the WDB website at times and dates specified in the RFP (RFB). After the close of the question-and-answer period, no questions may be answered regarding the bid solicitation.

An evaluation team of at least three members is formed prior to the public opening. These members shall have knowledge of the goods/services to be procured, and shall not benefit in any way from the bidder selection. The appointment of the evaluation team by the WDB Executive Director, or designee, shall be done in writing and retained. The evaluation team for program RFPs/RFBs may be made up of members of the WDB Planning and Operations Committee, MOU partner staff, and/or two or more WDB staff. The WDB Planning and Operations Committee may delegate the responsibility to WDB staff; the evaluation team will then be made up of three or more WDB staff. The Executive Director shall evaluate the budget section of the RFPs/RFBs to determine if the costs are necessary, reasonable, allowable, and allocable.

The time and date of the opening shall be named in the Notice of Request for Proposal (RFB). The notice shall state the format for submitting the bid, the date and time to be received, and the bid number to be displayed in the subject line of the email submission. Bids received after the closing time are to be considered non-responsive. Bids that do not meet the submission criteria outlined under paragraph 8 and/or the Notice of Request for Proposal (RFB) may also be determined non-responsive, if so, stated in the RFP/RFB.

The email showing the time and date of submission will be printed with the response. Proposals received in response to an RFP shall not be available for public review until after a contract is awarded or all proposals are rejected.

Bids are to be determined responsive or non-responsive based on conformity to the essential elements of the solicitation. A written report shall be prepared with adequate documentation of the reasoning for any bid deemed non-responsive. Non-responsive bids are removed from further analysis.

The bids are distributed to the members of the evaluation team. The team should read all bids before meeting as a group, if the group is scheduled to meet and shall evaluate the proposals independently. A meeting of the evaluation team may be scheduled to review all the independent evaluations. All aspects of the evaluation meeting shall be recorded, including the date, the time the meeting begins and ends, and the names of those in attendance. Individuals who join the meeting late or leave early must also be recorded.

Responsive bids are analyzed and evaluated in accordance with the evaluation criteria. Each bid shall be evaluated independently of the others. Concerns and/or specific comments regarding the individual responses shall be recorded and maintained with the evaluation documentation. The points awarded by each evaluator shall be recorded separately, and shall be averaged to award a composite score. This may be documented by a computer printout or calculator tape, on which the name of the bidder, type of program, and verification of the composite score is recorded. This documentation is affixed to the proposal document, or maintained intact and included in the permanent file.

The evaluation team must make a contract award(s) recommendation based on their evaluation. Successful respondents must have earned a minimum of 80 out of 100 possible points or 80% to be considered (unless otherwise stated in the RFP/RFB Notice of Request for Proposal.) Opportunities for clarification, or supplemental information *not material* to the scope of work or conducting services under a grant award, may be offered by the evaluation team prior to final determination of successful bidder(s). The evaluation team may recommend that no award be made if it is in the best interest of the program. The recommendation is made to the Full Board or the Executive Committee.

The Board shall consider the recommendations of the evaluation team and shall vote on the recommendations made. Contract awards or non-awards are recorded in the minutes of the Board meeting. Abstentions from the vote due to a real or implied conflict of interest shall also be recorded in the minutes. WDB provides standards of conduct covering

conflicts of interest and governing actions of its board members and employees engaged in the selection, award and administration of contracts.

The successful and non-successful bidders are notified in writing of the award. Successful bidders receive a Letter of Intent to Contract. The letter must be mailed within the time constraints outlined in the Notice of Request for Proposal/RFB. The bidder must be notified in writing if further negotiations are required prior to the contract being awarded.

A contract is prepared for signature for the program year or other term outlined in the Notice of Request for Proposal/RFB. Contracts may be extended for up to three additional one-year periods if the bidder specifically expresses such a desire in the bid, it is approved by the Board, funds are available, and the sub-contractor (bidder) performs successfully under the terms of the contract. Contracts may be extended beyond the original term date under extraordinary circumstances (such as conforming to new legislation, regulations, or requirements). Any special extension will be at the discretion of the Workforce Development Board and will not exceed one year in duration. Such extension shall be executed by formal contract amendment with terms, conditions, and provisions of the original contract remaining the same. Budgets, as applicable may be increased / decreased as deemed appropriate.

Contracts for the lease of space may be entered into beyond a three-year period, not to exceed 10 years, under the following conditions: board approval has been obtained; lease period does not exceed state or federal guidelines; risk assessment has been performed on behalf of the board; and the contract contains an escape clause releasing the board of financial indebtedness. Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms (2CFR 200.321)

WDB will take necessary affirmative steps to ensure that minority businesses, women's business enterprises, and labor surplus firms are used when possible.

Delivery of Career Services-Adult and Dislocated Workers [WIOA Sec. 134(c)(2)(C)]

Career services described in WIOA Section 134(A) for eligible adult and dislocated workers shall be provided through the one-stop delivery system:

- Directly through one-stop operator(s) identified pursuant to section 121(d) or
- Through RFP contracts with service providers, which may include contracts with public, private for-profit, and private nonprofit service providers, approved by WDB.

Training Contracts

Training services authorized under this paragraph may be provided pursuant to a RFP contract for services in lieu of an individual training account (ITA) if:

- The Consumer Choice Requirements [WIOA Sec. 134(c)(3)(F)] are met;
- Such services are on-the-job training (OJT), customized training, or incumbent worker training or transitional employment;
- The board determines 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 individuals with barriers to employment;
- WDB determines that:
 - It would be most appropriate to award a contract to an institution of higher education or other eligible provider of training services in order to facilitate the training of multiple individuals in in-demand industry sectors or occupations; and
 - Such contract does not limit customer choice

Training services must be directly linked to an in-demand industry sector or occupation in the West Central Region. WDB may approve training services for occupations determined by the board to be in sectors of the economy that have a high potential for sustained demand or growth in the local area [WIOA Sec. 134(c)(3)(G)(iii)].

Selection of Eligible Providers of Youth Workforce Innovation and Opportunities Activities (WIOA Sec. 107(d)(10)(B) and Sec. 123)

- WDB shall award grants or contracts on a competitive basis to providers of youth workforce innovation and opportunities activities based on the criteria in the state plan.

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- WDB may award grants and contracts on a sole source basis [(WIOA Sec 123 (b))] if the board determines there is an insufficient number of eligible providers of youth workforce innovation and opportunities activities in the area for grants and contracts to be awarded on a competitive basis.
- The requirement in WIOA Sec. 123 that eligible providers of youth services be selected by awarding a grant or contract on a competitive basis does not apply to the design framework services when these services are more appropriately provided by the grant recipient/fiscal agent. Design framework services include intake, objective assessments and the development of individual service strategy, case management, and follow-up services.

Selection of One-Stop Operators [WIOA Sec. 121(d)]

WDB, with the agreement of the chief elected official, is authorized to designate one-stop operator(s) and to terminate for cause the eligibility of such operators. To be eligible to receive funds made available under this subtitle to operate a one-stop center, an entity:

- Shall be designated a one-stop operator through a competitive process; and
- Shall be an entity (public, private, or nonprofit), or consortium of entities (including a consortium of entities that, at a minimum, includes 3 or more of the one-stop partners described in subsection 121(b)(1), of demonstrated effectiveness.

Emergency Purchases

Emergency purchases over \$500 which fall outside the procurement guidelines will be allowed only when immediate action is necessary to resolve an extraordinary situation and the resolution of the condition receives priority over routine operations and duties. A purchase of this nature requires strict written documentation of the existing emergency condition to be filed with the purchase order and invoice. Emergency situations include those situations that create a serious and obvious threat to public health, safety, or operation of the WDB in executing its legal responsibilities to the public, or property in its legal care or control, as may arise by reason of flood, epidemic, illness, riot, natural disaster, accident, equipment failure, or similar cases.

The WDB Executive Director or the Director's designee must declare an

emergency situation.

Non-competitive proposal (Sole Source)

Non-competitive proposal (Sole Source) procurement is defined as procurement through a solicitation of a proposal from only one source, or when competition is determined inadequate after solicitation from a number of sources. Sole source procurements under WIOA and other federal or state funding sources shall be minimized to the extent practicable. All sole source procurements shall be justified and documented in writing. Procurement by non-competitive proposals will be used only when the purchase is less than \$3000 (micro purchase) (no further documentation required) or:

- The item or service is proprietary and is only available from a single source not excluding like items or services available under a different name, manufacturer, or packaging. Procurement solicitation cannot be so restrictive as to eliminate open competition.
- The emergency needs for the item or service does not permit a delay resulting from competitive solicitation.
- After solicitation from a number of sources, competition is determined inadequate and falls short of the necessary 2 or 3 telephone (see Micro and Small purchases definitions), electronic or written bids, or the defined elements of a formal advertised competitive bid purchase. In all cases, the solicitations and the inability to obtain an adequate response(s) shall be well-documented and shall support the sole source procurement.
- The item is to be purchased through state or federal surplus property. Non-competitive procurements will follow the requirements of reasonableness of cost and price analysis, cost reimbursable basis, and debarred and suspended parties. Selection shall be based on the best-known price from known vendors.

The WDB has determined that the following items may be

exempted from competitive procurement:

- Magazines
- Books
- Periodicals
- Newspapers
- Any form of direct advertising space and time, unless there are multiple businesses in the area able to provide the same service to the same coverage area needed and same demographics.
- Conferences – The cost of attending or participating is exempted. The cost of putting together a conference is not exempted.
- Training Sessions and Seminars – Related to an individual's profession or program.
- Copyrighted materials such as electronic media, CDs, DVDs, books, pamphlets, video tapes, or audio tapes. Copyrighted materials are defined as those which are available for purchase from only the publisher owning an exclusive copyright or from a single distributor operating under an exclusive franchise from the publisher.
- Updates of computer software which the agency already owns.
- Repair services and operational supplies from original manufacturer, if such repairs/parts/services/supplies must be performed or obtained by the original manufacturer or by the manufacturer's authorized service center, because (1) the nature of the repair, service or supplies are available only from the original manufacturer as a result of a lawful patent, or (2) the technical nature of the repair or service can only be performed by the original manufacturer due to a patented design or technical manufacturing process, or (3) repairs of such equipment would violate the terms of, or part of, the equipment warranty or purchase agreement.

In an effort of intergovernmental cooperation, any agency determined to be a unit of government may contract with any other unit of government

through a non- competitive process, but it must be on a cost reimbursable basis. A reasonableness of cost and price analysis must be performed. The additional requirements for service provider selection must be completed if applicable. Contracts must comply with all requirements regarding lobbying and non- debarment certification. Contracts must be in the best interest of the WIOA funded programs or other state or federal program.

A unit of government is defined as any of the following agencies: agencies of the federal government; departments or divisions of state government, counties, cities, towns, townships or villages, state universities or colleges; junior/community college districts, tax-based schools and school districts, and regional planning commissions (RPCs). The WDB may enter into non-competitive contracts with agencies on the approved list in the course of procuring goods or services for the benefit of the WIOA funded programs or other state or federal program.

Contracting Agencies will submit a requisition for any purchase of equipment or services costing \$1,000 or more for WDB Executive Director or their Designee's approval. Single item or unit purchases of \$5,000 or more require WDB and Office of Workforce Development approval prior to purchase.

- An Equipment Memorandum will be prepared for any purchase of \$1,000 or more, for any addition to an existing system regardless of cost, or for any transfer of equipment. The memorandum will assign the appropriate location code for inventory purposes. The Equipment Memorandum shall be used to "post" to the inventory listing any single item or a system with a value of \$1,000 or more. Accurate inventory documentation shall be maintained.
- Computers, equipment, furniture, and other sensitive items (cameras, calculators, chairs, etc.) with a cost between \$250 and \$999.99 will have a blue numerical inventory tag affixed to the item. Items with a purchase price of less than \$250 may be determined to be sensitive items at the discretion of the person approving the purchase and should be blue tagged and numbered accordingly. Sensitive items are equipment under \$1000,

considered attractive or easily pilfered. Tags are obtained through the administrative entity (WDB) office. A listing of all such “blue tag” items, separate from the inventory listing, is maintained by the WDB.

All purchases will be allocated in accordance with Section 200.22 of the Uniform Guidance and in direct proportion to the benefit derived by the funding source. Allocation methods will be documented.

In accordance with Uniform Guidance Part 200.13:

- Capital expenditures for general purpose equipment are unallowable as a direct cost except with the prior approval of the awarding agency.
- Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$1000 or more have the prior approval of the awarding agency.

Also see Section III, Cash Disbursements.

v. RISK ASSESSMENT AND RISK MITIGATION

Prior to making awards to subrecipients WDB will conduct a review of risk posed by program applicants. WDB will review information available through the federal integrity and performance system accessible through SAM and then complete the risk assessment forms. The four categories upon which risk is assessed is: 1) subcontractor’s prior experience with the same or similar subawards; 2) results of previous audits; 3) whether the subcontractor has new personnel or new or substantially changed systems; and 4) extent and results of Federal awarding agency monitoring. A risk level based on score will be assigned to the applicant: Low, Medium, or High. Criteria to be evaluated must be described in the announcement of funding opportunity described in §200.203 Notices of Funding Opportunities.

The Uniform Guidance describes the methods for addressing risk of unsuccessful performance at three levels in the award lifecycle:

- Pre-Award Phase – conducting a review of risk posed by applicant [2 CFR 200.205].

- Award Phase – addressing potential risk by including award conditions in the recipient’s award [2 CFR 200.207].
- Post Award Phase – taking action to remedy non-compliance during the performance period, of the recipient fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award [2 CFR 200.338].

As part of WDB’s annual financial monitoring of subrecipients a risk assessment review will be conducted and if action needs to be taken WDB will follow the Post Award Phase mentioned above.

VI. AUDIT TRACKING

Audit tracking provides a chronological sequence or a step by step documented history of a contract. It is the reporting instrument to be utilized by WDB when a new contract is executed or when an existing contract has been modified.

OWD requires WDB to use audit tracking forms for all contracts between WDB and its service providers. Audit tracking forms are, however, not required for contracts between WDB and contractors providing services other than participant program services.

Audit tracking forms must be submitted to OWD within 30 days of the effective date of the last required signature on the contract or contract modification. Contracts or contract modifications signed on or after June 15th of the current Program Year must be submitted to OWD no later than July 15th of the same calendar year.

Audit tracking forms must contain each contracted program name with the corresponding contracted dollar amount and contract period; as well as the total contracted amount. When multiple contracts are issued to the same service provider, a separate audit tracking form must be submitted for each contract.

Audit tracking forms must indicate whether each executed contract is the original contract or a contract modification. If the contract is a modified contract, a corresponding modification number must be furnished.

Audit tracking forms must be submitted electronically to the Office of

Workforce Development at the assigned email address. The forms must contain the name and phone number of the person who prepared and/or submitted the form(s). A reply message will be sent when an audit tracking form is received and/or accepted by OWD.

VII. CLOSEOUT

When a WIOA and/or any other OWD federally administered contract ends, WDB Subrecipients must:

- Not incur any additional costs in relation to the contract.
- Draw down cash to cover all expenses incurred up to the end date of the contract.
- Pay all subrecipients, contractors, or any other service provider for any accrued expenditures. Outstanding invoices/debts cannot be honored after closeout documents have been submitted to the WDB.
- Pay all other accrued expenditures prior to submitting the closeout documents. Closeout documents will not be accepted until all accrued expenditures are paid.
- Return all surplus or unspent contract related funds to the WDB for onward submittal to the appropriate funding authority. Returned funds must bear adequate description such as funding stream, contract code, etc.
- Ensure closeout documents are appropriately signed by the designated official of the Subrecipient.
- Subrecipient will submit closeout documents to the WDB by the end of business day on the required submittal day (60 calendar days after the expiration of a funding period or the termination of an award).

Pursuant to 2 CFR 2900, “The non-Federal entity must liquidate all obligations and/or accrued expenditures incurred under the Federal award. For non-Federal entities reporting on an accrual basis and operating on an expenditure period, unless otherwise noted in the grant agreement, the only liquidation that can occur during closeout is the liquidation of accrued expenditures (NOT obligations) for goods and/or

services received during the grant period.”

VIII. PAYROLL

Time and attendance reports are part of records kept on employees.

Each WDB employee is responsible for completing a time sheet prior to each payroll date as determined by the payroll schedule and prepared in accordance with the following guidelines:

- Each timesheet shall reflect all hours worked during the pay period as defined by the payroll schedule (time actually spent on the job performing assigned duties).
- Timesheets shall be prepared in ink (or electronically).
- Compensated absences (vacation holiday, sick leave, etc.) should be clearly identified as such.
- Timesheets shall be signed by the employee prior to submission.
- Any unpaid leave taken in accordance with the Personnel Policies and Procedures Manual.
- Allocation of hours to specific programs.

Accrued sick leave hours, accrued vacation hours, and accrued personal leave hours are detailed in a monthly report by the Executive Director.

The Executive Director or designee verifies by signature the accuracy of the timesheets, including overtime pay, and time taken for holidays, vacation, sick, bereavement, or other leave. Any changes or corrections to the time sheet are to be initialed by both the person initiating the change and the employee.

The time sheets are delivered to the Accounting Specialist for completion of the payroll process. Hours worked, leave time, and other payroll information is again reviewed by the Accounting Specialist. WDB payroll is distributed through direct deposit or the preparation of a payroll check at the employee's request. Direct deposit is made using the Automated Clearing House process. Checks or vouchers are prepared, and delivered to the Executive Director for signature.

Payroll stubs for direct deposit employees are reviewed by the Executive Director at that time. The Executive Director will approve the payroll batch in *Singlepoint*.

Distribution of the payroll check/pay stub in a sealed envelope is made in

person by the Executive Director or designee. In his/her absence, a bonded employee will be appointed by the Executive Director to distribute payroll. Employees receiving an actual payroll check in lieu of direct deposit sign for payroll checks upon receipt. If on leave, the employee may have his/her payroll check mailed upon written request. Other arrangements may also be made upon prior written request.

Form 941 federal withholding taxes are paid within three banking days through the automated Electronic Funds Tax Payment System (EFTPS) by telephone, or to an approved depository (normally the bank where the state/federal funds account is maintained) using the federal form for deposit.

State withholding taxes are paid to the Missouri Department of Revenue on or prior to the 15th day of the following month at www.dor.mo.gov.

Payroll deductions, either withheld at the request of the employee or by law, and other state and federal withholdings, are paid to the designated institution or provider within one working day of the distribution of payroll, or as outlined in the law. Employees must request all desired payroll deductions in writing. Changes to payroll deductions will also be in writing. The written request will remain in the individual payroll file.

A payroll file is kept which contains federal Form W-4 and Missouri Form MO W- 4 (Employment Withholding Certificate) filled out by employee, garnishments as required by law, documentation of citizenship, and other forms authorizing payroll deductions requested by the employee and approved by the Executive Director (such as dependent's health insurance), prior time sheets, accrued leave statements, and a year-to-date earnings record.

It is the responsibility of the Accounting Specialist to prepare the payroll taxes for payment and to maintain payroll files. The Accounting Specialist prepares all tax forms and makes payroll tax deposits to the bank as necessary. A payroll control file is also maintained by the Accounting Specialist. It has a compilation of the payroll activities by month and has quarterly and year-to-date totals.

Payroll functions are separated as much as possible; number of WDB staff restricts rotation of payroll functions with each payroll.

IX. BANK STATEMENTS/RECONCILIATIONS

Bank Statements

Bank statements for each of the two accounts are printed from *SinglePoint* at the beginning of each month. The Executive Director shall be responsible for the reconciliation of the bank statement.

Bank Reconciliations

The reconciled bank balance is compared to the cash in bank in the General Ledger and the daily cash-in-bank ledger for accuracy by the Executive Director. The Board Chair signs the bank statement when they are in agreement that it is fully reconciled.

The reconciliation:

- accounts for numeric and chronologic order of checks.
- verifies amount, payee, and date.
- verifies proper endorsement of the check.
- follows inter-fund transfers to other accounts.
- lists outstanding checks and deposits, bank or check register errors for current month.
- compares prior month's un-reconciled items to see that correction has been made. A maximum length of time to carry un-reconciled items is 120 days.
- compares reconciled bank balance to cash in bank in General Ledger.

Un-reconciled items over 120 days old are reviewed by the Executive Director, at which time a decision is made as to the necessary procedures to void the un-reconciled item, and to reissue if applicable. The check log for cash receipts (deposit) is used to account for deposits to the bank in the bank reconciliation process.

X. FINANCIAL REPORTING AND MONITORING

Reporting

All financial reporting will be drawn directly from the accounting system. The accounting records of the WDB are maintained on an accrual or modified accrual basis rather than cash basis.

- Reporting requirements for the Subrecipients are fully detailed within their contracts. Reports are due on the third business day of the month following the reporting period; or the first working day prior if on a weekend; or as the specific grant or funding source requires. The reporting period is on a calendar month. Reporting dates are outlined within the contract.
- Expenses are tracked through the General Ledger system. The trial balance, prepared monthly, is used to allocate costs to each program based on an approved allocation or direct cost method.
- With all other procurement and cash disbursement guidelines adhered to, financial budgets will be utilized to ensure that WDB and Subcontractor disbursements are allowable costs. Every attempt will be made to ensure that budgets are accurate predictions. This involves reviewing past expenditures, changes in the program, and any other pertinent data. No expenditures above contract amounts are allowed.

The WDB will conduct annual financial monitoring reviews (FMR) of subrecipients to ensure fiscal integrity in accordance with OWD Issuance 15-2010 and the Uniform Guidance Part 200.331. The FMR will be performed to comply with Title I of WIOA and Wagner-Peyser, as well as under 2 CFR part 200, including 2 CFR 200.327, 200.38, 200.330, 200.331, and Department exceptions at 2 CFR part 2900. This review is to ensure the adequacy of internal controls and the reliability of the subrecipient's financial management system as they relate to the contract. Also, to ensure that the sub-recipient(s) meets the terms and conditions, fiscal goal or requirements as deemed by the contract. Steps will be taken to ensure that amounts reported are accurate, allowable, supported by documentation and therefore properly allocated. The FMR includes, but is not limited to, reviews of the following accounting processes:

- Expenditure review for allowable/non-allowable costs
- Payroll/payment of payroll taxes
- Internal control and separation of duties
- Compliance with Uniform Guidance Audit
- Monthly transactions traced through the system from requisition through payment
- Employee bonding policy
- EEO compliance

- Contract Compliance
- Risk Assessment
- Trial balance and bank reconciliation
- Adequate collateral security and FDIC or FSLIC coverage for cash on hand
- Confidentiality policy
- E-verify documentation
- Review of all administrative/personnel related manuals

The following sample sizes are required, at a minimum, depending on the universe to be reviewed. These guidelines are applicable for every sample to be reviewed.

Universe Sample Size

1-200	51
201-300	55
301-400	58
401-500	60
501-1,000	63
1,001-2,000	65
2,001-10,000	67

This table is based on random sampling for attributes when the expected rate of occurrence is not over twenty (20) percent with a confidence level of ninety (90) percent, plus or minus eight (8) percent.

The trial balance prepared by the Subcontracting Agency will be reviewed during the financial monitoring process. A determination of program income and stand- in costs will be included in the financial compliance review.

A written Financial Compliance Monitoring Report will be issued within 30 days of the conclusion of the field work and exit conference. All written Financial Compliance Monitoring Reports are reviewed and approved by the Executive Director prior to issuance of the report. The report shall include a request for a Corrective Action Plan by the Subcontracting Agency for any deficiencies noted, and/or comments for improvement to the system. A detailed Corrective Action Plan response, if required in the report, must be submitted by the Subcontracting Agency within a period of no more than thirty (30) days. A written response will be prepared by the Fiscal Operations Manager within a thirty (30) day period of the Submission of the Corrective Action Plan. Additional written responses may be required of the Subcontracting Agency until final approval can be given. Comments included in the report by the WDB require no written response. All correspondence will be reviewed by the Executive Director. Approvals and requests for follow-up responses will be in written form. Subsequent monitoring may be performed as deemed necessary to follow-up corrective action plans.

Disallowed costs discovered through the Financial Compliance Monitoring process will be recovered from the Subcontracting Agency through non-federal sources. The Subcontracting Agency will be notified in writing of the intent of the WDB to collect the debt for the disallowed cost. The written intent will include the basis for the debt collection and a request for repayment of the disallowed cost within thirty (30) days of notification. No other contract reimbursement will be made to the Subcontracting Agency under the contract containing disallowed costs until repayment is made. If no repayment is made, the contract is subject to cancellation, as provided in the contract, with thirty (30) days notification.

XI. RECORD RETENTION

The Workforce Development Board of Western Missouri, Inc. (WDB) shall retain all records pertinent to all grants and agreements, including financial, statistical, property, applicant records, participant records, and supporting documentation, for a period of three (3) years after the WDB submits to the state its final expenditure report for that funding period. Records for nonexpendable property shall be retained for a period of three (3) years after final disposition of the property.

The aforementioned records will be retained beyond four (4) years if any litigation or audit is begun, if a claim is instituted involving the grant or agreement covered by the records, or in some instances, in accordance with the Internal Revenue Service record retention guidelines. In these instances, the records will be retained until the litigation, audit, or claim has been finally resolved.

In the case of a finding or questioned cost in an audit report by the Department of Labor and/or State Auditor's Office in the Division of Workforce Development (OWD) audit resolution process, any related documentation must be retained until OWD's audit has been resolved.

WDB will request written approval for record destruction every year from the Office of Workforce Development. Destruction of records is contingent on OWD's written approval. The method of record destruction/disposal is relative to the confidentiality of the record or document. Records or documents which references individual personnel or participants. For example, must be obliterated before discarding. No records shall be destroyed by the Contracting Agencies without the prior written approval of the Executive Director. The Executive Director will notify the Contracting Agencies annually with the approved retention date through which documents may be destroyed if applicable. All correspondence and documentation pertaining to the destruction of records will be kept in a separate file.

Records shall be retained and stored in such a manner which will preserve their integrity and admissibility as evidence in any audit or other proceeding. The burden of production and authentication of records shall be on the custodian of the records. In the event of the termination of the relationship, or an inability to retain the necessary financial records, the WDB will work with the Contracting Agencies so that such records may be transferred upon approval of a written request. Such records shall be transmitted to the WDB for acceptance in an orderly fashion with documents properly labeled and filed in an acceptable condition for storage.

The WDB shall comply with the WIOA Record Retention policy as issued by the Department of Labor and/or State Auditor's Office in the Division of Workforce Development (OWD) and any amendments or revisions. Record retention requirements may be found at 2 CFR 200.333-200.337 of the Uniform Guidance.

Copies made by photocopying or electronic methods may be substituted for the original records.

The Federal Freedom of Information Act (5 U.S.C. 552) does not apply to The WDB's records unless required by Federal, State, or local law.

XII. PUBLIC ACCESS TO RECORDS

The Uniform Guidance, 2 CFR 200.336 (a) provides that "The Federal awarding agency, Inspector General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents." The right of access is not limited to the required retention period, but shall last as long as the records are retained (2CFR 200.36 (c)).

Section 185 (a) of WIOA and the provisions of the Sunshine Law all reinforce the need to make records accessible to the public upon request. WDB and its subrecipients will maintain adequate records, and make such records accessible to OWD and/or any authorized representative of the Federal or State government upon request.

The disclosure of information that would constitute unwarranted invasion of personal privacy, and information containing trade secrets, commercial or financial information, regarded as privileged or confidential are exempted from the above requirements.

Fees associated with the reproduction and/or providing information requested by the public may be charged only an amount sufficient to recover costs.

XIII. REPORTS AND COMPLAINTS ABOUT CRIMINAL FRAUD, WASTE, ABUSE

WDB, as a recipient of federal awards under WIOA or the Wagner-Peyser Act, is obligated to report incidents of fraud, waste, misappropriation, or theft of those funds by the recipient, or a subcontractor, as a condition for

receiving those funds.

The Uniform Guidance, 200.435 (3) defines fraud as acts of fraud or corruption or attempts to defraud the Federal Government or to corrupt its agents; acts that constitute a cause for debarment or suspension (as specified in agency regulations); and acts which violate the False Claims Act.

~~Subrecipients and their subrecipients shall comply with USDOL [Training and Employment Guidance Letter \(TEGL\) No. 2-12, issued July 12, 2012](#), or any change or revision thereafter. TEGL 2-12 transmits procedures to be followed by all Employment and Training Administration (“ETA”) grant recipients for reporting allegations of fraud, program abuse or criminal conduct involving grantees or other entities and subrecipients receiving Federal funds either directly or indirectly from ETA. Subrecipients must also disclose, in a timely manner, in writing to the OWD all violations of Federal criminal law involving fraud and any other criminal activity at the same time any report is made to the USDOL. The embezzlement from WIOA funds, improper inducement, and the obstruction of investigations shall be subject to certain penalties as allowed by appropriate State law.~~

WDB encourages complaints, reports or inquiries about illegal practice or serious violations of WDB policies, including illegal or improper conduct by the organization itself, by its leadership, or by others on its behalf. Appropriate subjects to bring up under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other matters on which WDB has existing complaint processes should be addressed under those procedures, such as addressing concerns of alleged discrimination or harassment either through the EO Officer or human resources, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those matters.

WDB prohibits retaliation by or on behalf of WDB against staff for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those who allegations are made in good faith but prove to be mistaken. WDB reserves the right to discipline persons who make bad faith, knowingly false, or vexing complaints, reports or inquiries or who otherwise abuse this policy.

Complaints, reports or inquiries may be made under this policy on a

confidential or anonymous basis. They should describe in detail the specific facts demonstrating the basis for the complaints, reports or inquiries.

Complaints should be directed to WDB's Executive Director or Board Chair; if both of those persons are implicated in the complaint, report or inquiry, it should be directed to Chair of the CEO Consortium. WDB will conduct a prompt, discreet, and objective review or investigation. Staff must recognize that WDB may be unable to fully evaluate a vague or general complaint, report or inquiry that is made anonymously.

XIV. PUBLICIZING OWD FUNDING CONTRIBUTIONS

Under Public Law 101-166, Section 511, "Steven's Amendment," Subrecipient(s) must not issue any statements, press releases or other documents describing projects or programs funded in whole or in part with Federal funds unless prior approval from the OWD is obtained, and unless the intended publications clearly state the following:

- Percentage of the total costs of the program or project, which will be funded with Federal dollars.
- Dollar amount of Federal funds for the project or program.
- Percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources.

Requirements of the Steven's Amendment are also addressed in the Assurances Exhibit that is attached to, and made a part of all contracts issued by the OWD.

XV. INTERNAL CONTROLS

Numerous Internal Controls exist throughout this document and can be identified by red lettering.