

ALABAMA WORKFORCE INVESTMENT SYSTEM

Office of Workforce Development
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July 18, 2005

GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY99-20, Change 8

SUBJECT: *Statewide Workforce Investment Act (WIA) Fiscal Procedures Manual*

- Purpose.** This Directive transmits revised pages for the July, 2000 edition of the Governor's *Statewide WIA Fiscal Procedures Manual*.
- Discussion.** The WIA at Section 133(b)(4) allows for a transfer of up to 20 percent of the initial allocation of Adult and Dislocated Worker funds between the Adult and Dislocated Worker funds. The USDOL approved the State's request for a waiver of this section of the Act to allow the State to approve local area requests to transfer up to 100 percent of local area allocations between the Adult and Dislocated Worker programs.

An incorrect reference to a *Statewide WIA Procurement Manual* was made on page II-4 of the *Manual*. A revised page has been prepared to replace the previous page II-4.

- Action.** Please replace existing pages in the *Statewide WIA Fiscal Procedures Manual* with the following revised pages:

II-4	(Revised 7/05)
III-18	(Revised 7/05)

- Contact.** Any questions regarding this directive should be referred to Bill Hornsby, Supervisor, Workforce Development Division, State Programs and Divisional Budget Management Section. (Telephone: (334) 242-5847 or Email: billh@adeca.state.al.us)



Steve Walkley, Division Director
Workforce Development Division

Attachments

- (c) Any program income returned by a subrecipient must be identified by subgrant or contract number under which the program income was earned, the source of the program income, and the cost categories applicable to the income being returned. If the original subgrant or contract was funded from more than one program year's allocation, the program income must be identified as to how much is attributable to each program year's funds.
- (d) The state or subgrantee receiving program income from a subrecipient is responsible for reprogramming the funds to satisfy the requirements in 20 CFR667.200.
- (e) Program income returned to the state after expiration of the funding period for each program year's allocation will be remitted to the USDOL.

D. PROCUREMENT

Each Local Workforce Investment Area (LWIA) shall utilize procedures that comply with the procurement requirements as noted in the Act at Sections 121 (d)(2) and 123 and 29 CFR97.36 and the details prescribed in the Statewide Workforce Investment Act (WIA) Procurement Procedures, transmitted under GWDD No. PY99-12. This process allows the LWIA to use its own procurement system, which reflects applicable state and local laws and regulations, provided that the procurements conform to the standards identified in the Statewide Workforce Investment Act (WIA) Procurement Procedures. *

No LWIA shall enter into an on-the-job training contract, customized training or similar agreement with a contractor for which there is a potential for the contractor to receive payment greater than fifty (50) percent of each individual participant's wages during the period of such training in accordance with 20 CFR663.710.

No payments may be made to employers for retention or otherwise after a participant's termination as this is a continuing subsidization of employment. All on-the-job training should comply with the requirements of Section 101 (31)(B).

E. PROPERTY MANAGEMENT

LWIAs must have property inventory systems that meet the standards as required by 29 CFR 97.32 (a) and (c)-(e) for equipment and 29 CFR 97.31 for real property. The systems must include property purchased with WIA funds or transferred from programs under CETA and JTPA. The Governor shall maintain accountability for property in accordance with state procedures and the records retention requirements of 29 CFR 97.42 (b)(1) and (c)(2). When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, the equipment will be returned to the ADECA warehouse for further consideration (State Policy). Property management procedures are detailed in the Workforce Development Division Property Operations Manual. It is the responsibility of each LWIA to adhere to these procedures.

* Revised 7/05

Wagner-Peyser Act, are not included in the administrative cost limit calculation. Each program's administrative activities are chargeable to its own grant and subject to its own administrative cost limitations (20 CFR667.210 (d)).

2. **National Reserve Account Grants**
Limits on administrative costs for programs operated under Subtitle D of Title I will be identified in the grant or contract award document (20 CFR667.210 (b)).

F. TRANSFER AND INCENTIVE POLICY

1. Clarification/Transfer Policy

Before making any such transfer, a local board must obtain the Governor's approval (20 CFR667.140(b)). All local workforce investment area requests for fund transfers will be documented within each appropriately approved WIA Grant Agreement.

**Employment and Training Administration
Workforce Investment Act
Fund Transfers
Clarification of Transfers**

Note: Transfers apply only to funds to Local Workforce Investment Areas

Life of funds	Adult Training	Youth Training	Dislocated Workers
State = 3 years* LWIA = 2 years*	Up to 100% to Dislocated Worker (s)	No Transfer Allowed	Up to 100% to Adult Employment & Training(s)

Authority. (S) Statutory-denotes WIA Section #: 133(b) (4) (See below)

* Funds have a three year life for each allocation. Funds allocated to LWIAs have a two year life after which remaining funds are recaptured and reallocated to the State and/or to LWIAs in compliance with the two-year LWIA spending limitation for expenditure during the remaining one year life of the funds.

Ordinarily, transfer requests will be contained within the local workforce investment area initial WIA Grant Agreement. Local workforce investment area transfer requests made subsequent to initial annual Grant Agreement submission must be accompanied by narrative justification. Transfers may be made anytime during the two-year life of the funds. Transfers may only be made between the Adult and Dislocated Worker fund sources, and were limited to 20 percent of the initially allocated funds for each source (WIA Section 133(b)(4)). The USDOL granted the State approval of a waiver to allow the State to approve local area requests to transfer up to 100 percent of local area allocations between the Adult and Dislocated Worker programs. *

2. Incentive awards

Section 134 (a)(2)(B)(iii) of the Act states that from funds made available under Sections 127 (b)(1) and 132 (b)(1) and (2) the Governor shall award incentive grants

* Revised 7/05