

**ALABAMA WORKFORCE INVESTMENT SYSTEM**

**Office of Workforce Development  
401 Adams Avenue  
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Montgomery, Alabama 36103-5690**

March 14, 2014

**GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY99-20, Change 21**

**SUBJECT:** *Statewide WIA Fiscal Procedures Manual*

**1. Purpose.** This Directive transmits revised pages for the July, 2000 edition of the Governor's *Statewide WIA Fiscal Procedures Manual*.

**2. Discussion.** The U.S. Department of Labor (USDOL) has granted certain waivers for various requirements of the Workforce Investment Act (WIA), which required that the affected pages in the *Statewide WIA Fiscal Procedures Manual* to be revised to reflect that on-the-job training reimbursements to employers may be made on a sliding scale based on the size of the business (50 or fewer employees up to 90 percent; 51-250 employees up to 75 percent; and employers over 250 employees up to 50 percent). This waiver is approved through June 30, 2017.

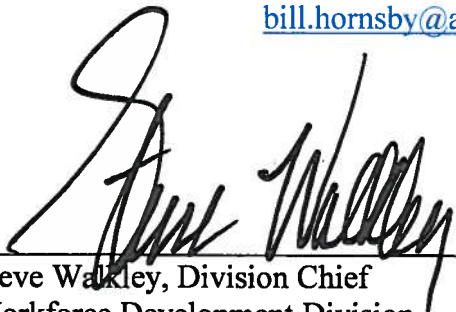
Page III-18 is revised for the currently approved (through June 30, 2017) waiver, which allows the transfer of up to 50 percent of local area adult and dislocated allocations between these two funding streams.

Page III-18 is revised to reflect an approved (through June 30, 2014) waiver, which waves the requirement for the Governor to award incentive grants to eligible local workforce investment areas. This waiver will not be renewed beyond June 30, 2014 due to some of the 10 Percent Set Aside funds being made available to the states again beginning in Program Year 2014.

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

II-4	(Revised 03/14)
III-18	(Revised 03/14)
III-19	(Revised 03/14 – Data moved to previous page)

**4. 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: [bill.hornsby@adeca.alabama.gov](mailto:bill.hornsby@adeca.alabama.gov)).



Steve Walkley, Division Chief  
Workforce Development Division

3/14/2014  
Date

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. On August 28, 2013, the USDOL approved (through June 30, 2017) a waiver to allow the State and local areas to reimburse employers for on-the-job training through a sliding scale based on the size of the business. \*

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 03/14

**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 50% to Dislocated Worker (S)	No Transfer Allowed	Up to 50% 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. The USDOL granted the State approval (through June 30, 2017) of a waiver (effective July 1, 2012) to allow the State to approve local area requests to transfer up to 50 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 to local workforce investment areas for regional cooperation among local boards, for local coordination of activities carried out under WIA, and for exemplary performance by local areas on performance measures. Each LWIA should take steps to provide for the separate tracking of incentive funds. On August 28, 2013, the USDOL granted a waiver to the State, which waves the requirement to provide incentive grants to local workforce areas. The waiver expires on June 30, 2014 and will not be requested beyond that date. \*

Revised 03/14

## G. CASH REQUIREMENTS

### 1. Cash Management

Each LWIA and its subgrantees must establish and maintain a cash management system which will provide for the adequate control of funds and minimize the time elapsing between the receipt and disbursement of funds. Minimize means that a zero balance is the desirable goal. Pursuant to 29 CFR97.21 (i), interest earned on advances shall result in an interest liability accrual between Federal agencies and State government as provided by the Cash Management Improvement Act (31 U.S.C. 6501 et req.) and implementing regulations at 31 CFR Part 205. Each recipient and subrecipient shall account for interest earned on advances of Federal funds as program income as provided by the WIA Regulations at 20 CFR667.200 (a)(5) and Section 195 (8)(A) and (B) of the Act.

In regard to subrecipients, any advance of Federal funds drawn down by either advance or a working capital advance and not disbursed within thirty (30) days from the date of the advance must be refunded to ADECA (State (ADECA) Policy).

Other requirements are as follows:

- a. A separate bank account is not required, but procedures must be in place to separately account for Federal funds on deposit in accordance with 29 CFR97.21 (h)(2).
- b. Bank statements must be reconciled at least monthly.
- c. Funds must be deposited daily in a bank with FDIC coverage or a savings and loan institution with NCUA coverage. The balance of funds in excess of FDIC or NCUA coverage must be collaterally secured.
- d. Internal controls must be established and maintained to a level sufficient to prevent misuse of funds.
- e. Utilize the Subgrantee Cash Control Worksheet on a daily basis. This Worksheet must be submitted as required (See Exhibit M).

### 2. Cash Request (State Policy)

Each LWIA with an approved WIA Grant Agreement must have an Authorized Signature

Revised 03/14