

ALABAMA WORKFORCE INVESTMENT SYSTEM

**Alabama Department of Economic and Community Affairs
Workforce Development Division
401 Adams Avenue
Post Office Box 5690
Montgomery, Alabama 36103-5690**

March 8, 2004

GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY2003 - 11

SUBJECT: Welfare-to-Work (WtW) Closeout

1. **Purpose:** Transmittal of Guidance Relative to Welfare-to-Work Program Closeout
2. **Discussion:** Training and Information Notice No. 19-03, a copy of which is attached to this Directive, provides states and grantees notice of USDOL/ETA policies and procedures relating to program termination, transition of participants, and closeout pursuant to the rescission of the Welfare-to-Work State formula program.

Section 105 of the USDOL 2004 Appropriation, Public Law 108-199, rescinds unexpended Welfare-to-Work State formula grant funds, effective January 23, 2004.

The Workforce Development Division has prepared a WtW Financial Closeout Statement Instructions package, complete with forms and instructions, to facilitate local workforce investment areas (LWIAs) WtW closeout procedures. A copy of these instructions is also attached to this Directive.

3. **Action:** Copies of TEGL No. 19-03 and the WtW Financial Closeout Statement Instructions package are distributed for informational and action purposes. Note that the relevant WtW Financial Closeout Statement documents must be received at the Workforce Development Division on or prior to March 23, 2004.

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4. **Contact:** Questions regarding this information should be directed to Sims Dunlap at (334) 242-5260.

A handwritten signature in black ink that reads "Steve Walkley". The signature is written in a cursive style with a horizontal line underneath it.

Steve Walkley, Division Director
Workforce Development Division

Attachment: TEGL No. 19-03
WtW Financial Closeout Statement Instructions (LWIAs Only)

Employment and Training Administration Advisory System U.S. Department of Labor Washington, D.C. 20210	CLASSIFICATION WtW State Formula Program
	CORRESPONDENCE SYMBOL OFAM
	DATE February 27, 2004

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 19-03

TO: ALL STATE WORKFORCE AGENCIES
 ALL STATE WORKFORCE LIAISONS

/s/

FROM: EMILY STOVER DeROCCO
 Assistant Secretary

SUBJECT: Rescission of Fiscal Year 1999 Welfare-to-Work (WtW) State
 Formula Program

1. Purpose. To provide states and grantees of the Employment and Training Administration (ETA) policy and procedures relating to program termination, transition of participants and closeout pursuant to the rescission of the Welfare-to-Work (WtW) State formula program funded in Fiscal Year 1999 under Section 403(a)(5)(H)(i)(II) of the Social Security Act. A list of the applicable grants (30) and their expiration dates prior to the rescission is provided in Attachment B.

2. References. Section 105 of the Department of Labor (DOL) 2004 Appropriation, Public Law 108-199, Consolidated Appropriations Act, 2004 Division E, Title I, 118 Stat. 3 (January 23, 2004); Subpart D of 29 CFR, Part 97, the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (July 1, 2003); Subpart D of 29 CFR, Part 95, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations, and with Commercial Organizations, Foreign Governments, Organizations under the Jurisdiction of Foreign Governments, and International Organizations (July 1, 2003); and the Welfare-to-Work Financial Management Technical Assistance Guide (October 1, 1999) which is available at <http://wtw.doleta.gov/techassist/tag/>.

3. Background. Pursuant to the above referenced legislation, the remaining WtW State formula grants are rescinded, effective January 23, 2004, the date of enactment. The language of the legislation is as follows:

SEC. 105. Of the funds appropriated for fiscal year 1999 under section 403(a)(5)(H)(i)(II) of the Social Security Act (42 U.S.C. 603(a)(5)(H)(i)(II)) that were allotted as welfare

to work formula grants to the States under section 403(a)(5)(A) of such Act (42 U.S.C. 603(a)(5)(A)), there is hereby rescinded any funds that are unexpended by the States as of the date of enactment of this section, except for such funds as the Secretary of Labor determines are necessary for

States to carry out administrative activities relating to the close out of such grants. Notwithstanding section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)), the Secretary of Labor may take such actions as the Secretary determines are appropriate to facilitate the orderly and equitable close out.

The conference report contained the following clarifications regarding Congressional intent:

The conference agreement modifies a provision proposed by the Senate that rescinds funds appropriated for fiscal year 1999 for the Welfare-to-Work program. The conference agreement rescinds any amounts allotted to the States from funds appropriated for fiscal year 1999 for the Welfare-to-Work program that are unexpended as of the date of enactment of the section, except for certain close out costs. Unexpended funds would consist of funds allotted to the States that are unobligated by the States, or obligated by the States, but not expended. Only funds to pay for goods and services that have already been provided as of the date of enactment are generally considered expended. Grantees would be required to terminate any agreements providing for the provision of goods and services beginning after the date of enactment unless alternative funding sources are identified.

Since this rescission would accelerate the termination of the Welfare-to-Work grants to the states that are all due to expire during fiscal year 2004, the provision does not rescind funds that the Secretary of Labor determines are necessary for the states to carry out administrative activities relating to closeout. Such cost could include such items as penalties for early termination of leases, and personnel costs relating to the final reporting and closeout of grant activities. Authority is also provided in this provision for the Secretary of Labor to take necessary actions to facilitate the orderly and equitable closeout of the state grants, notwithstanding the programmatic requirements of the Welfare-to-Work program. The conferees expect the Employment and Training Administration to assist states in establishing a transition process to help the remaining Welfare-to-Work participants easily and seamlessly assimilate into Workforce Investment Act programs that allow them to continue to receive assistance.

Accordingly, on January 23, 2004, the ETA Regional Offices were provided with an alert from the national office and were asked to verbally inform all state grantees of the congressional rescission and to provide some preliminary guidance while this TEG was being prepared. This was followed by a letter from the Grant Officer which transmitted a unilateral grant modification to all applicable state grantees to terminate all active FY 1999 WtW State grants, effective January 23, 2004.

4. Transition Policy. The language of the rescission and legislative conference report clearly indicates the intent of Congress for states and local communities to ease the impact of this early termination of the FY 1999 WtW program by establishing a transition process that helps any remaining active WtW participants easily and seamlessly assimilate into Workforce Investment Act (WIA) programs or other appropriate One-Stop services.

The enactment of the WtW program represented a major investment in the lives of the most challenged individuals moving from public assistance to employment, and many have accessed a wide range of pre- and post-employment services and been placed in unsubsidized jobs. Although a significant proportion of WtW participants have become employed through the program, the rescission leaves a substantial number who have not yet completed their employability plans or otherwise need additional workforce development services. Congressional intent is that significant gaps in service should be avoided, and where possible, the investment of services already made to active WtW participants should be completed using other resources.

The legislation creating the WtW program purposefully designated the same service delivery system that currently operates the local WIA program as the presumptive deliverer of WtW Formula Grant services. This common infrastructure allows for easy movement from WtW to WIA and among federal program partners in the One-Stop system. In addition, current WIA legislative requirements have made two public commitments to this target population: 1) a stated goal for WIA Title I is to reduce welfare dependency; and 2) WIA provides in section 134 (d)(4)(E) and regulations at 20 CFR 663.600 that in the event funds allocated to a local area for adult employment and training activities are limited, priority for intensive and training services funded under Title I Adult funds must be given to recipients of public assistance and other low-income individuals. A formal transition to WIA and/or other appropriate program services is the natural progression both necessary and expected for active WtW participants.

ETA recognizes, however, that the rescission, with its simultaneous termination of all WtW services, may pose significant transition challenges for the WIA Adult program. Regarding program performance, ETA is prepared to consider state requests to renegotiate WIA performance standards in order to accommodate the unanticipated, sudden influx of WtW participants into WIA. Please note that since WIA performance is judged relative to a negotiated level, states with appropriate levels will not be penalized under any possible incentive grant process. Regarding funding source, states and local areas are also reminded that there is flexibility in WIA funding that should be considered. The WIA statute at 133(b)(4) and regulations at 20 CFR 667.140 give local boards the option, with approval from the governor, to transfer up to 30 percent of the Dislocated Worker program year allocation to the Adult program for the provision of employment and training activities. In addition, WIA Title I at 134(a) and regulations at 20 CFR 667.130 allow the governor to reserve up to 15 percent of the WIA Title I allocation for statewide workforce investment activities. Such activities include services to adults and dislocated workers thus making the majority of active WtW participants

eligible for services funded with this reserve.

5. Requests for Administrative Relief. To the extent that certain programmatic limitations such as the 70/30 expenditure ratio, the matching requirement, or administrative cost limitations are impacted by the termination of WtW grant activities, states may request administrative relief directly from the Grant Officer. Such requests - which can seek relief for a number of issues in a single submittal - must clearly identify: (1) each provision or requirement for which relief is sought, (2) the outcome that would have been required absent rescission, (3) the outcome which will result as a consequence of rescission, and (4) a description of demonstrated good faith efforts made to meet each original requirement for which relief is being sought. States are encouraged to describe how the rescission impacts performance and administrative outcomes, including actual expenditure ratio accomplished, the amount of actual match provided, the amount of actual administrative costs incurred compared with what would have happened had they been able to continue the grant program to the end of its scheduled period of performance.

6. Closeout Policy and Procedures

a. Period for Closeout Activities. In accordance with 29 CFR 97.50(b), states are required to submit all final reports, including a financial status report, for their entire state system no later than 90 days after the termination of all WtW grants impacted by the rescission of the program, which occurred on January 23, 2004. Closeout should be completed within 90 days of receipt of the closeout package from ETA.

b. Submittal of Closeout Packages. ETA initiated the closeout process with a notification letter that provided the necessary forms for the completion of the closeout requirements, to states via Federal Express on February 18, 2004. States must submit closeout packages to the Department of Labor/Employment and Training Administration (DOL/ETA) at the following address:

Closeout Grant Officer, Office of Grants and Contract Management
Attn: Closeout Unit
200 Constitution Avenue, NW, Room N-4716
Washington, D.C. 20210

c. Responsibilities. The closeout of WtW will involve state efforts to close their awards to subrecipients in accordance with the instructions provided in this TEG. Subrecipients will be required to close grants and contracts which they have awarded to lower tiered subrecipients and vendors. The responsibility for the expeditious closeout of the WtW program rests with each state. Costs incurred for closeout activities after the 90 days are not allowable and must be charged against non-Federal, state or local resources, unless an extension is requested and approved under item 7 below.

d. Regulations. The regulations at 29 CFR, Part 97 and 29 CFR, Part 95 are applicable to governmental and non-governmental grantees and

subrecipients, respectively.

e. Non-Formula Awards. Discretionary and competitive grants awarded under the WtW program will continue for the period specified in the award document and are not subject to the closeout process described in Attachment A. However, it should be noted that the availability of the appropriation for these grants will lapse on September 30, 2004.

7. Extension of Deadline for Submission of Closeout Documents.

The Grant Officer may extend the deadline for submission of the closeout documents for a period of 90 days, not to exceed a total of 180 days from receipt of the closeout notification letter. Decisions will be made on a case-by-case basis. Requests must provide documented evidence of the necessity for the extension and must be submitted no later than 60 days after receipt of the closeout package. Additional extensions will be considered only under extreme or extraordinary circumstances. Requests for extension of the closeout period should be submitted to the address listed in item 6.b. with a copy of the request and supporting documentation sent to the appropriate Regional Office.

Note: WtW funds will no longer be available after September 30, 2004.

8. Action. It is the responsibility of the states to immediately provide the information transmitted by this TEGl to all staff who have responsibility for closeout activities and to all subrecipients.

9. Inquiries. ETA will establish a question and answer (Q&A) Web site on which we will post selected technical Q&As about transition and closeout issues and procedures. Questions may be submitted to wtw.rescission@dol.gov or to your Regional Office.

10. Attachments.

Attachment A: [Instructions for Closeout of WtW Formula-Funded Activities](#)

Attachment B: [List of WtW Formula Grants](#)

RESCISSIONS	EXPIRATION DATE
	Continuing

ATTACHMENT A

Instructions for Closeout of Welfare to Work Formula-Funded Activities

This attachment provides detailed instructions concerning the various aspects of the closeout of the "rescinded" formula-funded WtW grants, as well as related activities that have an impact on closeout. States must follow the instructions contained herein.

1. Use of Funds and Cost Limitations

a. Use and Classification of Remaining Funds. States are allowed to expend funds to cover the costs of administrative closeout of the grant. The closeout costs incurred during the closeout period for affected WtW programs will not be subject to the administrative cost limitations and will not be reported as administrative costs on line 5. Rather they will be included on line 4, total expenditures, and reported separately in the remarks section (section 7) of the applicable WtW financial status report. Costs incurred prior to the closeout period but paid during the closeout period will continue to be reported according to the appropriate cost category.

2. Closeout Procedures

a. Establishment of a Framework. It is the responsibility of the States to establish policy and set timelines to assist their subrecipients and contractors with closeout. The timelines established must provide sufficient time to allow the State to comply with those set by the Department of Labor (DOL).

b. Local Plans. Each State should coordinate closeout activities with its subrecipients and may require a local closeout plan. It is suggested that the local plan(s) include, at a minimum, the following:

(1) planned program closeout time schedule;

(2) planned estimate(s) of the portion of FY 1999 allocation (obligational authority) that will be needed to pay for closeout costs. Cash needed to support closeout costs should be drawn down as needed for immediate disbursement needs; and

(3) estimated costs for closeout activities to be incurred after January 23, 2004. These costs may include late claims, unfunded liabilities, termination costs associated with subrecipient agreements, penalties for breaking leases, uncharged accrued leave, records' retention and storage costs, as well as the costs of audit, and those costs required to complete the closeout process. These costs should be itemized by category, i.e., accrued leave, lease penalties and estimated storage costs.

3. Subrecipient and Vendor Agreements

a. In General. Existing agreements for the delivery of services for current WtW participants must be terminated effective the date of the rescission. However, subrecipients and subcontractors may be allowed administrative closeout costs and participants may be allowed to complete prepaid "training" only to the extent that no further program costs are incurred and if such training is not otherwise severable. For example, participants in a prepaid semester course must be allowed to complete the semester. Any other services or activities (OJT, work experience, supportive services, etc.) must have ceased and/or can no longer be charged to the WtW grant,

effective at the close of business on January 23, 2004. Any arrangements for continuation of current participants and associated service delivery programs must be worked out through local agreements with the State and local Workforce Investment Act (WIA) program administrators and local boards.

b. Termination Costs. Reasonable costs, often referred to as an equitable adjustment, associated with the termination of subrecipient agreements are allowable. Any other amounts paid in excess of the costs for services provided through January 23, and the reasonable costs of terminating the agreement are unallowable and subject to repayment by the subrecipient. However, if the local awarding entity arranges for the services to continue using alternative funding [e.g., WIA Adult funds], there would be no need to require repayment. Rather, the awarding entity would reverse the WtW charge on its books of account and charge the costs incurred after January 23 to the WIA Adult funding stream. In either case, the amount would be included as part of the WtW unexpended funds.

4. Closeout. When the WtW program was rescinded on January 23, 2004, the fund availability period for all remaining formula funds allotted in Fiscal Year 1999 expired except for those needed to cover closeout costs.

The objective of the financial closeout is to achieve the status where obligated funds, allowable reported costs, and payments (for most recipients the amount of drawdowns) are equal or in balance. Because it constitutes the final closeout of the program, this financial reconciliation must be carefully performed in a manner that pays particular attention to detail. It is imperative to ensure that all costs have been accurately reported and paid, and that the balance of available obligational authority is properly identified.

When obligations, costs and drawdowns are not equal and the discrepancies cannot be reconciled, or where other violations are evident, the grant officer's initial and final determination process will be used to resolve the findings.

The final financial status reports for FY 1999 grants must be submitted with the closeout package no later than 90 days after the receipt of the closeout notification letter unless an extension has been granted. This final report will be in addition to the regularly required quarterly reports submitted to the program office 45 days after the end of the quarter. After the closeout process has been completed, there will be no Federal funds available to pay for allowable late claims. State and/or local funds will be necessary to pay for any such costs.

5. Liabilities Associated With the Closeout Process.

a. Governor's Liability. The ultimate objective of this process is the closeout of the WtW Agreement with ETA. As the recipient of a WtW grant, the Governor is ultimately responsible for the resolution and closeout of all subgrants issued by the State. Therefore, it is in the Governor's best interest to ensure that all local closeout plans are fully developed and have adequate time frames for completing the required tasks.

b. DOL's Liability. DOL will not be liable for any costs that States and their subrecipients failed to pay before closeout. Furthermore, DOL will not be liable for any late claims received by the States. DOL will not have the funds available for such claims.

c. Subrecipient Liability. The local WtW subrecipient will be responsible to the State for all costs related to the WtW subgrants that they have received. All closeout activities must be fulfilled locally and in accordance with the State closeout plan.

6. Unpaid Bills (Liabilities). Unpaid bills are those outstanding, whether received or not, for

allowable WtW costs which have resulted from the operation of the programs that have not been paid. These are not closeout costs referenced in Item 1.b. and should be charged to the appropriate cost category. States are expected to ensure that all WtW grant liabilities are paid before closeout. No unpaid bills can be paid with Federal funds after closeout. Any such bills will have to be paid from non-Federal funds.

7. Unclaimed and Uncashed Checks. State and local escheat law should be followed for the handling of unclaimed and uncashed checks. The applicable process is described in detail on page 8 of chapter 2 of the WtW Financial Management TAG. Amounts required to cover all unclaimed or uncashed checks must be included in the total accrued expenditures reported on the final financial status report. Funds required to cover these costs must be drawn down as part of the closeout process.

8. Prepaid Expenses. The prepayment of necessary, reasonable, and allocable costs is allowable. States and subrecipients are authorized to pay for the storage of records for a period of three (3) years from the submittal of the final expenditure report to comply with WtW requirements. When an organization ordinarily charges the cost of a single audit as a direct cost charge to its program (s), they are authorized to prepay the allocable share of the single audit(s) which covers the program year(s) to be closed. No prepayment of single audit costs is authorized when an organization normally charges such costs as indirect or overhead costs.

9. Self-Insurance Funds. Grantees and subrecipients may have established self-insurance funds to cover the costs of workers compensation, unemployment compensation, severance pay and similar employee benefits. Claims submitted during the period allowed for closeout will be paid by the entity from those funds. Upon termination of the closeout period and submittal of the final expenditure report, the self-insurance account option may be continued unless the local entity is going out of business, in which case the fund should be transferred to the State. Unpaid claims or those received after the closeout of the grant should be paid by the local entity or the State from the fund. Payment of claims will be limited to unexpended funds remaining in each subrecipient self-insurance fund. Any balance of funds remaining in the self-insurance accounts must be refunded to DOL/ETA.

10. Staff Benefit Costs. States and subrecipients must treat staff leave costs in the same manner as staff leave costs are treated in the individual organization's existing written leave policies and procedures.

a. Costing Systems. The two most prevalent leave systems are:

(1) unfunded systems wherein the costs are incurred when cash payment is made to the employee at the time the leave is taken, and

(2) funded systems wherein the cost is incurred at the time leave is earned by the employee and payment is made to the employee at the time leave is taken.

b. Lump Sum Payments. When a WtW staff person is terminated from the employing entity, a lump sum payment for accrued leave will be borne by the WtW grant as a closeout cost in an unfunded system and as a cash payment (unpaid bill) in a funded system. An escrow account may be utilized if necessary.

c. Continued Service. When a WtW staff person is retained by the same employing entity, the liability for leave will be borne by the receiving program/fund source in an unfunded system. An escrow account may be utilized for payment purposes in a funded system. In instances where staff is retained and is working on WtW closeout as well as WIA or other programs, the cost of leave must be pro-rated between the programs based on an appropriate allocation method, e.g., time

distribution.

d. Personnel Policies. Local personnel policies will govern the payment of fringe benefits other than leave costs, including severance pay.

11. UI Costs. Unemployment insurance costs properly chargeable to WtW will be paid from each State or subrecipient agreement until final closeout. Once the WtW grant is closed, State and local funds must be used to pay such costs. Organizations and jurisdictions on a contribution basis of UI coverage will not recover any costs associated with a higher organization-wide experience rating as a result of WtW program layoffs.

12. Audits. States and subrecipients must complete normal annual audit cycles in accordance with 29 CFR 97.26, 29 CFR 95.26, and OMB Circular A-133. No additional Federal funds will be provided to cover audit costs.

13. Complaints and Grievances. In accordance with Section 20 CFR 645.270 of the WtW regulations, States should continue to provide a system for processing complaints. Prior to closeout, the costs associated with WtW program complaints being handled by this system should be charged to the WtW grant. After this period, the costs associated with WtW complaints must be paid from non-Federal funds.

14. Equipment and Supplies. The disposition of equipment and supplies acquired with WtW grant funds is discussed in chapter 14 of the WtW Financial Management Technical Assistance Guide and the appropriate administrative regulations at 29 CFR Parts 97 and 95.

15. Refunds. Any funds remaining in the State's WtW account after closeout, plus any other refunds received after closeout, must be returned. Until the HHS-PMS Account has expired (September 30, 2004), States should use the HHS-PMS and submit refunds electronically, to the extent possible. Subsequent to September 30, 2004, all refunds must be returned directly to ETA.

U.S. DOL/ETA
Division of Financial Systems and Services
Room N4702
200 Constitution Ave N.W.
Washington, D.C. 20210

16. Program Income. Program income generated with WtW funds prior to the rescission, but not used by the termination of the program, must be treated as unexpended grant funds. There are no Federal requirements governing the disposition of WtW program income that is earned after the termination of the WtW program.

17. Records Retention. States are responsible for ensuring that all records associated with the WtW program are retained for three (3) years after submission of the final expenditure report for each year of appropriation. Records must be kept longer if any litigation or audit is begun, or if a claim is instituted involving the appropriated funds or agreement covered by the records. In these instances, records will be retained until the issue has been finally resolved. However, the only authorized closeout cost for record storage is the amount required to meet the three (3) year retention requirement. Since they would constitute an estimated contingency, costs for any longer retention period required must be paid with non-Federal funds. States are responsible for ensuring the retention of records for subrecipients who are disbanding or otherwise unable to retain records. States must also ensure that this requirement is passed on to all subrecipients to ensure compliance.

STATE OF	FY	GRANT NO.	EXPIRATION DATE
Alabama	WtW-FY99	Y-7748-9-00-81-50	Sept. 28, 2004
California	WtW-FY99	Y-7432-9-00-81-50	Jul. 15, 2004
Colorado	WtW-FY99	Y-7744-9-00-81-50	Sept. 28, 2004
Connecticut	WtW-FY99	Y-7749-9-00-81-50	Sept. 28, 2004
District of Columbia	WtW-FY99	Y-7682-9-00-81-50	Sept. 30, 2004
Florida	WtW-FY99	Y-7855-9-00-81-50	Sept. 27, 2004
Georgia	WtW-FY99	Y-7745-9-00-81-50	Sept. 28, 2004
Hawaii	WtW-FY99	Y-7757-9-00-81-50	Sept. 28, 2004
Illinois	WtW-FY99	Y-7414-9-00-81-50	July 13, 2004
Iowa	WtW-FY99	Y-7416-9-00-81-50	June 30, 2004
Kansas	WtW-FY99	Y-7431-9-00-81-50	Aug. 1, 2004
Maine	WtW-FY99	Y-7740-9-00-81-50	Sept. 28, 2004
Maryland	WtW-FY99	Y-7743-9-00-81-50	Sept. 27, 2004
Michigan	WtW-FY99	Y-7612-9-00-81-50	Sept. 28, 2004
Minnesota	WtW-FY99	Y-7580-9-00-81-50	June 30, 2004
Nevada	WtW-FY99	Y-7277-9-00-81-50	Feb. 25, 2004
New Hampshire	WtW-FY99	Y-7752-9-00-81-50	Sept. 21, 2004
New Jersey	WtW-FY99	Y-7413-9-00-81-50	July 12, 2004
New Mexico	WtW-FY99	Y-7758-9-00-81-50	Sept. 28, 2004
New York	WtW-FY99	Y-7446-9-00-81-50	Sept. 27, 2004
Oklahoma	WtW-FY99	Y-7755-9-00-81-50	Sept. 28, 2004
Pennsylvania	WtW-FY99	Y-7741-9-00-81-50	Sept. 22, 2004
Puerto Rico	WtW-FY99	Y-7738-9-00-81-50	Sept. 21, 2004
Rhode Island	WtW-FY99	Y-7751-9-00-81-50	Sept. 21, 2004
S. Carolina	WtW-FY99	Y-7340-9-00-81-50	Apr. 26, 2004
Texas	WtW-FY99	Y-7750-9-00-81-50	Sept. 28, 2004
Virgin Islands	WtW-FY99	Y-7433-9-00-81-50	Sept. 10, 2004

Virginia	WtW-FY99	Y-7742-9-00-81-50	Sept. 26, 2004
Washington	WtW-FY99	Y-7746-9-00-81-50	Sept. 26, 2004
Wisconsin	WtW-FY99	Y-7412-9-00-81-50	June 8, 2004

**ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS
WORKFORCE DEVELOPMENT DIVISION
WELFARE-TO-WORK PROGRAM**

**FINANCIAL CLOSEOUT STATEMENT
INSTRUCTIONS**

A Financial Closeout Statement must be completed by March 23, 2004 for the 1999 WtW Grant, which expired on January 23, 2004.

An original and two (2) copies must be sent to:

Steve Walkley, Division Director
Alabama Department of Economic and Community Affairs
Workforce Development Division
401 Adams Avenue
Post Office Box 5690
Montgomery, Alabama 36103-5690

The Financial Closeout Statement package consists of the following forms:

Recipient's Grant Release & Release to the State (Attachment C-1 & C-2)
Financial Closeout Statement (Attachment C-3)
Outstanding Accrual Register (Attachment C-4)
Outstanding Wage Check Register (Attachment C-5)
Property Closeout Inventory Certification (Attachment C-6)
Final Cumulative Financial Status Report (Attachment C-7)

RECIPIENT'S GRANT RELEASE & RELEASE TO THE STATE (Attachment C-1 & C-2):

- A. Enter the date the grant was executed, the five (5) digit grant award number, and the full name of the grant recipient.
- B. Enter the total WtW share of program outlays as reported on line four of your Final Financial Status Report. This amount should equal the amount of WtW funds received after the final drawdown.
- C. Type the name and title of the person authorized to sign the Grant Release. The person authorized should sign and date the form on the appropriate lines. Have the two witnesses to the signature also sign the form. (For a corporation, the witnesses need not sign. However, the Certification is to be completed by the corporate secretary and the corporate seal affixed at the bottom.)

INSTRUCTIONS (Cont.)

FINANCIAL CLOSEOUT STATEMENT (Attachment C-3)

A. RECIPIENT INFORMATION

1. Enter (type) the name and address of the grant recipient.
2. Enter the five (5) digit grant award number.
3. Enter the beginning and ending dates for the grant funding period.

B. CLOSEOUT STATEMENT

1. Enter the obligational authority for the grant. This should be equal to the total grant award amount on the most recent grant modification/revision (or the original grant award amount if no modifications have been made).
2. Enter the total cash and in-kind received to support the program for a. through e. below.
 - a. Federal Grant Funds - WtW funds drawn down (received and ordered).
 - b. State matching funds – State funds expended.
 - c. Local cash matching funds – Local funds expended.
 - d. In-Kind matching contributions – In-kind contributions claimed as match.
 - e. Program Income – Income received and expended by the recipient that was directly generated by the grant.
3. Enter the total federal program outlays for the grant. This is total federal payments plus the unpaid accruals incurred for the grant period.
 - a. Cash Disbursed – Total federal payments made by the recipient, plus;
 - b. Accruals – Unpaid obligations still outstanding at the time the closeout is submitted. Each accrual should be itemized on the Outstanding Accruals Register.
4. Enter the amount of the difference between line 2 a. – cash received (federal grant funds) and line 3 – total federal program outlays. This is also the amount of the final draw down necessary for cash to equal expenditures. A positive balance indicates excess cash has been drawn and should be refunded to the State. A negative balance requires the recipient to draw additional funds. This final drawdown should be submitted **within 15 days** after the closeout is submitted.

INSTRUCTIONS (Cont.)

C. FINANCIAL CLOSEOUT STATEMENT CERTIFICATION

1. Type the name of the certifying official, title, grant award number and the date. The authorized official must sign and date the form in the spaces provided.

OUTSTANDING ACCRUALS REGISTER (Attachment C-4):

1. Enter the date the register is completed and the grant award number.
2. List the invoice date (if known), the payee name, the invoice or P.O.#, the cost category, (i.e. administration or program) the amount of the unpaid accruals, and the expected payment date. Total the amount of all outstanding accruals. This amount should equal the accrued expenditures on line 3.b of the Financial Closeout Statement.

OUTSTANDING WAGE CHECK REGISTER (UNCLAIMED WAGES)(Attachment C-5):

1. Enter the grant award number
2. List the payee name, check number, check date and amount for all wage checks that remain outstanding (unclaimed) at the end of the grant period. Enter the total amount of outstanding wages.

PROPERTY CLOSEOUT INVENTORY CERTIFICATION (Of equipment \$500 or more) (Attachment C-6):

Enter the complete name of the sub-recipient and agreement number in the spaces provided on the forms.

- A. Item A.or B.-- The grant recipient must certify to either A. or B.
- B. Complete items (a) through (i) for each item of equipment listed.
 - a. **Item #:** Enter property items in numerical sequence, i.e., 1,2,3, etc.
 - b. **Identification #:** Enter an identification number such as the stock number, manufacturer's number, manufacturer's serial number, property tag number, or other identifying number.

INSTRUCTIONS (Cont.)

- c. **Description:** Describe the property, i.e., Dell PC 486
- d. **Location:** If different from the address stated above, enter the location of the property.
- e. **Date of Acquisition:** Date on which the recipient assumed responsibility for the property.
- f. **Condition Code:** Enter the condition code (See “Condition Codes”) that corresponds to the condition of the property.
- g. **Unit:** Enter the unit, i.e., “ea” for each, “dz” for dozen, “st” for set, etc.
- h. **Quantity:** Enter the number of units acquired.
- i. **Total Cost:** Enter WtW and non-WtW share of the acquisition cost of each item. The sum of the two should be reflected in the Total Cost. Total Cost must equal the total cost of the property

CONDITION CODES:

- 1. **Unused-Good** Unused property that is useable without repairs and is identical or interchangeable with new items from normal supply sources.
- 2. **Unused-Fair** Unused property that is useable without repairs, but is deteriorated or damaged to the extent that the utility is somewhat impaired.
- 3. **Unused-Poor** Unused property that is usable without repairs, but is considerably deteriorated or damaged. Enough utility remains to classify the property as better than salvage.
- 4. **Used-Good** Used property that is usable without repairs, and most of its useful life remains.

INSTRUCTIONS (Cont.)

- | | |
|---------------------------------|---|
| 5. Used-Fair | Used property that is usable without repairs, but somewhat worn or deteriorated and may soon require repairs. |
| 6. Used-Poor | Used property that may be used without repairs, but is considerably worn or deteriorated to the degree that remaining utility is limited or major repairs will soon be required. |
| 7. Repairs Required-Good | Required repairs are minor and should not exceed 15 percent of original acquisition cost. |
| 8. Repairs Required-Fair | Required repairs are considerable and are estimated to range from 16 to 40 percent of original acquisition cost. |
| 9. Repairs Required-Poor | Required repairs are major because property is badly damaged, worn, or deteriorated, and are estimated to range from 41 to 65 percent of original acquisition cost. |
| 10. X Salvage | Property has some value in excess of its basic material content, but repair or rehabilitation to use for the originally intended purpose is clearly impractical. Repair for any use would exceed 65 percent of the original acquisition cost. |
| 11. S Scrap | Material that has no value except for its basic material content. |

Item C or D: The grant recipient must certify to either C or D.

FINAL CUMULATIVE FINANCIAL STATUS REPORT (Attachment C-7)

1. A final FSR must be completed which includes all accruals, as reflected on your Outstanding Accrual Register (Attachment C-4), and submitted along with this closeout package. It is extremely important that all accrued cost be included in this final report.

**ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS
WELFARE-TO-WORK PROGRAM**

FINANCIAL CLOSEOUT STATEMENT

RECIPIENT'S GRANT RELEASE AND RELEASE TO THE STATE

A. This document shall prescribe standard requirements and instruments by which the Alabama Department of Economic and Community Affairs (ADECA), Workforce Development Division, may be released from further obligations under the Grant Agreement entered into _____ numbered _____ by and between the ADECA, hereinafter "**DEPARTMENT**" and _____, hereinafter "**RECIPIENT**", after it has received full payment of sums due thereunder. Additionally, these requirements shall provide a means by which the **RECIPIENT** may reconcile, prior to final audit, its receipts, expenditures, property and outstanding obligations by cost category classification (administration or program) as specified under the grant.

B. Pursuant to the terms and conditions of the Grant Agreement entered into by the **DEPARTMENT** and **RECIPIENT** in consideration of the sum of _____ (\$ _____) that has been or is to be paid under the terms and conditions of said Grant Agreement, the **RECIPIENT**, upon payment of said sum by the **DEPARTMENT** does remise, release and discharge the **DEPARTMENT**, its officers, agents and employees from all liabilities, obligations, claims and demands whatsoever under and arising from said Grant Agreement, except as herein specified as Outstanding Obligations in the **RECIPIENT'S** Financial Closeout Statement, attached hereto and made a part hereof.

FURTHERMORE, the **RECIPIENT** will retain all said records maintained pursuant to said agreement, including papers and documents which are subject to audit, claims or litigation until such audits, claims or litigation are resolved, or for nine (9) years after the date of this document, whichever is later.

FURTHERMORE, the **RECIPIENT** does hereby:

Assign, transfer, set over, and release to the **DEPARTMENT** all rights, title and interest thereon, arising out of the performance of the Grant Agreement together with all the rights of action accrued or which hereafter accrue thereunder.

Agree to take whatever action may be necessary to effect prompt collection of all such refunds, rebates, credits, or other amounts (including interest thereon), due or which become due, and to forward promptly checks (made payable to the ADECA) for any proceeds so collected.

Agree to cooperate fully with the **DEPARTMENT** as to any claims or suits in connection with such refunds, rebates, credits, or other amounts due (including any interest thereon); to execute any protest, pleading, application, power of attorney, or other papers in connection therewith; and to permit the State to represent it at any hearing, trial or other proceeding arising out of such claim or suit. Authorized representatives of the U.S. Department of Labor and the **DEPARTMENT** shall have timely and reasonable access to any pertinent books, documents, papers, or other records of the **RECIPIENT** in order to make audits, examinations, excerpts, and transcripts.

FURTHERMORE, the **RECIPIENT** does hereby certify that it has complied with requirements of the law and the **DEPARTMENT**, regarding the obtaining of employer identification/account numbers, collection, payment, deposit, and reporting of federal, state, and local taxes

and the provision of W-2 forms to employees/enrollees who are not now employees. For present employees/enrollees, formerly employed under the award, W-2 forms will be furnished as specified in Circular E, Employer's Tax Guide. The RECIPIENT further certifies that, to the best of his/her knowledge, the information contained on this form, and all other closeout forms and documents are correct and complete.

C. IN WITNESS WHEREOF, this GRANT RELEASE is executed on the date of signature.

WITNESSES:

BY: _____
(Signature)

(Name)

(Title)

(Date)

CERTIFICATION
(Applicable to Corporations)

I, _____, certify that I am the _____
(Official Title)

of the corporation named as RECIPIENT in the foregoing release. That said release was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporated powers.

(Signature)

**ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS
WELFARE-TO-WORK PROGRAM**

FINANCIAL CLOSEOUT STATEMENT

A. RECIPIENT INFORMATION :

1. Recipient Name & Address
2. Recipient LWIA # _____
3. Grant Period:
From: _____ To: _____

B. CLOSEOUT STATEMENT:

1. Obligational Authority \$ _____
2. Cash & Matching Funds Received
- a. Federal Grant Funds \$ _____
- b. State Matching Funds \$ _____
- c. Local Cash Match \$ _____
- d. In-Kind Match \$ _____
- e. Program Income \$ _____
3. Total Federal Outlays \$ _____
- a. Federal Cash Disbursed \$ _____
- b. Federal Accruals \$ _____
(Attach Outstanding Accruals Register)
4. Net Amount (Line 2 minus Line 3)
Final Drawdown – (Due Recipient)/Refund State (\$ _____)

C. FINANCIAL CLOSEOUT STATEMENT CERTIFICATION:

I, _____, the _____ of the Recipient, hereby certify that the amount of funds contained herein are correct to and were expended and obligated according to the terms and conditions of the grant, number 86 WtW-0.

Signature Date

**ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS
WELFARE-TO-WORK PROGRAM**

FINANCIAL CLOSEOUT STATEMENT

OUTSTANDING ACCRUALS REGISTER

As of _____

1. Grant No. _____

2. Unpaid bills in stated amounts, or in estimated amounts where the exact amounts are not available, are as follow:

<u>Invoice Date</u>	<u>Payee Name</u>	<u>Invoice or P.O.#</u>	<u>Cost Category</u>	<u>Amount</u>	<u>Expected Payment Date</u>
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Total Amount
(Accruals)

**ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS
WELFARE-TO-WORK PROGRAM**

FINANCIAL CLOSEOUT STATEMENT

OUTSTANDING WAGE CHECK REGISTER

1. Grant No. _____

2. <u>NAME OF PAYEE</u>	<u>CHECK NUMBER</u>	<u>CHECK DATE</u>	<u>AMOUNT</u>
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TOTAL UNCLAIMED WAGES _____

ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS
WORKFORCE DEVELOPMENT DIVISION
WtW AGREEMENT CLOSEOUT PACKAGE

Final Property Inventory Certification
(WtW-Acquired Property Only)

Name: _____

Agreement # _____

A. Agreement Without Property

I hereby certify that no grantee property was furnished or acquired by the terms and conditions of the agreement.

B. Agreement With Property

I hereby certify that the below inventory listing is complete, and that it correctly describes all items of materials and equipment furnished or purchased under the terms and conditions of this award.

	Identification			Acquisition	Condition	Unit		Unit Acquisition Cost		Total
Item #	#	Description	Location	Date	Code	Cost	Quantity	WtW	PWTF/ State Match	Cost

C. A new Agreement Has Been Approved.

The above or attached listed property will be retained for the period as specified in Agreement # _____.

D. A new Agreement Has Not Been Approved.

The above or attached listed property will be returned within ninety (90) days of the release date of this agreement.

 Authorized Grant Official (Print or Type)

 Signature

 Date