



Department of Job and Family Services

Mike DeWine, Governor
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March 7, 2022

Fiscal Administrative Procedure Transmittal (FAPMTL) No. **461**

TO: Fiscal Administrative Procedure Manual Holders
FROM: Matt Damschroder, Director
SUBJECT: Workforce Innovation and Opportunity Act (WIOA) Rules

As the result of an internal five-year review, the Ohio Department of Job and Family Services has amended Administrative Code rules 5101:9-7-04 "Workforce Innovation and Opportunity Act (WIOA) local Area Financing and Cash Management" and 5101:9-7-04.1 "Workforce Innovation and Opportunity Act (WIOA) Local Area Quarterly Reconciliation." The language was updated to reflect current program rules and funding practices.

Please direct inquiries to your ODJFS Fiscal Supervisor or the CFIS Helpdesk CFIS_HELP_DESK@jfs.ohio.gov.

Please direct inquiries to your ODJFS Fiscal Supervisors/Bureau of County Finance and Technical Assistance at (614) 752-9194.

Instructions:

Location	Remove	Insert
Chapter 7	5101:9-7-04 (effective 2/25/2017)	5101:9-7-04 (effective 3/14/2022)
Chapter 7	5101:9-7-04.1 (effective 7/27/2017)	5101:9-7-04.1 (effective 3/14/2022)

5101:9-7-04

Workforce Innovation and Opportunity Act (WIOA) local area financing and cash management.

The following accounting procedures are necessary for local accountability in the financing and cash management of federal and state funds.

(A) Financing.

The total cash payments to the WIOA local area are disbursed weekly to the area's designated fiscal agent, upon receipt of the draw request for funds. Each WIOA local area and subrecipients of the WIOA local area shall establish and maintain a workforce development fund to be used for all deposits and disbursements of funds for all WIOA activities. Available funds are limited by state appropriation and federal award. All payments are issued via electronic funds transfer (EFT) to the fiscal agent.

(B) Cash management.

When a WIOA local area is funded on a reimbursement basis, program costs are paid with local funds before reimbursement is requested. When funds are drawn in advance, the WIOA local area shall follow procedures to minimize the time elapsing between the transfer of funds from the state and local disbursement. Disbursements to a WIOA local area administering federal programs shall cover allowable expenditures consistent with federal and state regulations.

(1) A WIOA local area may submit requests for cash draws weekly. Requests are processed by ODJFS within six ~~working~~business days. In accordance with the Cash Management Improvement Act and Title 29 C.F.R. 97.20, cash drawn in advance must be limited to the minimum amount needed for actual, immediate requirements. The WIOA local area shall have written cash management procedures in place to ensure the time elapsing between the receipt of funds and the disbursement of funds does not exceed a ten-day average for all federal funding.

(2) Cash drawn shall be traceable to a level of program expenditures adequate to establish ~~that~~ such funds have not been used in violation of the restrictions and prohibitions of applicable rules and regulations. The accounting systems of the WIOA local area shall support internal controls necessary to ~~insure~~ensure the reporting of activity affiliated with federal grants and state funds remain separated on a grant, program, or project basis.

(C) Quarterly cash on hand calculation.

(1) The county finance information system (CFIS) calculates the WIOA local area's average number of days of cash on hand on an individual grant basis. This

information is based on expenditures and cash draws reported in CFIS in accordance with rule 5101:9-7-29 of the Administrative Code and reflected on the CFIS over/under report. The average number of days of cash on hand is calculated as follows:

- (a) The cash on hand amount is calculated by deducting the total reported expenditures over the lifetime of the funding source, up to the budgeted amount, from the total amount of cash draws over the lifetime of the funding source.
 - (b) The daily average expenditure amount is calculated by dividing the total reported expenditures by the number of calendar days the funding has been available; and
 - (c) The average number of days of cash on hand is calculated by dividing the cash on hand amount calculated in paragraph (C)(1)(a) of this rule by the average daily expenditures amount calculated in paragraph (C)(1)(b) of this rule.
- (2) At the end of each quarter, the WIOA local area shall review the CFIS cash on hand report to ensure compliance with paragraph (B)(1) of this rule.
- (a) If an event, beyond the reasonable control of the WIOA local area, results in non-compliance with the cash management requirements, the WIOA local area shall document the event.
 - (b) If circumstances resulting in the non-compliance are caused by internal control deficiencies or operational processes, the WIOA local area shall document the steps implemented to avoid a reoccurrence.
- (3) Continued non-compliance may result in ODJFS restricting the agency's draws to ensure the cash management practices are in compliance with paragraph (B)(1) of this rule.

(D) Quarterly interest liability/program income.

An interest liability accrues if federal funds are received prior to the day the funds are paid. In accordance with 2 C.F.R. 200.305 (b)(9), up to five hundred dollars per year of interest earned may be retained by the WIOA local area for administrative purposes. Any additional interest earned on WIOA funds must be treated as program income and must be used before the WIOA local area requests additional WIOA draws. Reported earned interest must be expended before the end of the quarter in which it was received. A WIOA local area shall calculate, and report earned interest

as a receipt in accordance with this rule. Earned interest can only be used for the intended program and shall be held in the local account.

(E) ~~WIOA Local~~WIOA local area accruals and liquidations of accruals.

As expenditures are incurred, they become accrued expenses and shall be reported as accruals. At the time the accrual is liquidated (disbursed), the WIOA local area may draw down funds and shall report the disbursement of the accrual as expenditure for that quarter. All accruals shall be liquidated by the end of the period of availability.

(F) The WIOA local area shall maintain documentation in accordance with the records retention requirements in rule 5101:9-9-21 of the Administrative Code. This documentation may be subject to inspection, monitoring, and audit by ODJFS and the Ohio auditor of state.

Effective: 3/14/2022

CERTIFIED ELECTRONICALLY

Certification

03/04/2022

Date

Promulgated Under: 111.15
Statutory Authority: 5101.02, 6301.03
Rule Amplifies: 5101.02, 6301.03
Prior Effective Dates: 08/31/2007, 11/07/2009, 12/01/2010, 07/18/2011,
12/02/2011, 02/25/2017

5101:9-7-04.1 **Workforce Innovation and Opportunity Act (WIOA) local area quarterly reconciliation.**

The following accounting procedures are necessary for local accountability in the reconciliation of federal and state funds.

(A) Quarter-end reporting.

- (1) The WIOA local area is accountable for the workforce development fund as reconciled each quarter and shall review reports and make adjustments and/or corrections prior to the final approval and submission of financial data to the Ohio administrative knowledge system (OAKS) for the closing quarter. The WIOA local area has access to system reporting throughout the quarter in order to make ongoing adjustments/corrections.
- (2) The WIOA local area has access to reports based on financial data submitted in the county finance information system (CFIS) as described in rule 5101:9-7-29 of the Administrative Code.
 - (a) Each quarter's over/under report is cumulative over the lifetime of the funding source.
 - (b) The WIOA local area is given five business days after the eighteenth day of the month following the last month of the quarter to review reports for accuracy.
- (3) No later than five business days after the eighteenth day of the month following the last month of the quarter, the local area shall submit any final adjustments and/or revisions to OAKS.
 - (a) Once the five-day review period is complete, the Ohio department of job and family services (ODJFS) suspends reporting access to CFIS for the closing quarter in order to begin the quarter reconciliation process.
 - (b) The WIOA local area should complete closeout draws for the quarter during the five-day review period.
 - (c) The WIOA local area shall make any allowable changes that arise after the five-day review period to open grants in the current quarter.

(B) Quarter reconciliation.

- (1) ODJFS notifies the WIOA local area when the quarter reconciliation process is completed. The WIOA local area shall review reports for accuracy and immediately notify ODJFS of any discrepancies.

- (2) State funded allocations and federally funded subgrants are reconciled at the end of their period of availability. The period of availability includes the funding period and the liquidation period.
- (3) ODJFS may make adjustments as necessary to fully reconcile federal grants and/or state allocations that are being closed.
 - (a) If reported expenditures and adjustments in all funding sources being closed exceeds cash drawn in all funding sources being closed, ODJFS may issue additional funds on closed grants.
 - (b) If the total of reported expenditures and adjustments in all funding sources being closed is less than cash drawn in all funding sources being closed, ODJFS may adjust draws in open available grants.
- (C) The WIOA local area shall retain financial, programmatic, statistical, recipient records, and supporting documents as described in rule 5101:9-9-21 of the Administrative Code. This documentation may be subject to inspection, monitoring, and audit.

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