

# Cattaraugus–Allegany

# Workforce Development Board

**Financial Policies & Procedures**

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**INTRODUCTION**

The Cattaraugus-Allegany Workforce Development Board (CAWDB) is a not-for-profit corporation established under the Federal Workforce Investment and Opportunity Act (WIOA)

The Federal WIOA provides for a State Workforce Investment Board (SWIB) in each state, as well as local area Workforce Development Boards (WDBs). Operating under the same guiding principles as the SWIB of New York State, our primary responsibilities are to set local policy for, allocate funds to, and guide the development of our local area workforce development system, which encompasses Allegany and Cattaraugus Counties. In addition to administering its own operations budget, the CAWDB funds One Stop Career Centers and youth service providers. The CAWDB may also seek grant funding and administer~~s~~ awarded grant projects.

The CAWDB is the fiscal agent for WIOA funds for the Cattaraugus-Allegany area. The CAWDB shall endeavor at all times to be fully compliant with all NYS Department of Labor and US Department of Labor WIOA regulations, other State and Federal statutes, rules and regulations and Office of Management & Budget guidelines.

The purposes of the CAWDB Corporate Financial Policies and Procedures Manual are:

* To document Internal Control and Fiscal Management Practices and establish a mechanism for regulatory compliance and conformity with Generally Accepted Accounting Principles (GAAP).
* To ensure that a suitable system of “checks and balances,” according to standard accounting practices, have been identified and implemented.
* To determine what costs are allowable and non-allowable as necessary to conduct business.
* To document finance policies and procedures deemed critical for the successful and proper operation of this organization.

This Financial Policies and Procedures Manual is accessible to NYSDOL, USDOL, CAWDB Members and members of its committees and employees and/or volunteers. A copy of this manual will be on file as a permanent record at the CAWDB Office located in Olean, New York. This manual will be reviewed periodically and revised with CAWDB approval at least annually.

Questions or comments regarding the content of this manual should be directed to any of the following individuals:

* The Executive Director of the CAWDB Office.
* CAWDB staff assigned fiscal responsibilities by the Executive Director.
* The Chair or Treasurer of the CAWDB.

**Cattaraugus-Allegany Workforce Development Board, Inc.**

**Organization Chart**

Board of Directors

Executive Director

Administrative Assistant

Fiscal & Program Monitor

The following Board Standing Committees are comprised of Board members although the Committee Chair may invite participation of non-Board members, who shall not have voting rights.

Executive – May confer to carry on routine business of the Board and shall at all times have full authority to act in the absence of a quorum at regularly scheduled and publicized meetings of the Board; responsible for recruiting the Executive Director, and personnel matters relevant to staff ; recommend Board member candidates and propose a slate of officers; review By-Laws.

Finance and Audit - Responsible for advising the LWDB on matters relating to the organization's finances. The committee works with the LWDB staff and accountants to direct their work and reviews finance reports so one part of the board is knowledgeable about the income, expenses, assets and liabilities.

Operations Oversight - Responsible for the development, oversight, and performance of all One Stop operations; Responsible for certification of training providers and oversight of training outcomes and the development and monitoring of training policies.

Special Populations - Responsible for advising the LWDB on matters relating to the delivery of an integrated workforce/employment program for special populations such as youth, ex-offenders, migrant and seasonal farmworkers, individuals with disabilities, etc. The Committee shall provide policy guidance as it relates to services to these populations

**Conflict of Interest & Code of Conduct**

The CAWDB has adopted a written set of standards (Appendix A) governing the performance of CAWDB members, Youth Council members and its employees, officers, or agents. Each CAWDB member, Youth Council member, employee, officer or agent shall be notified of these policies and procedures upon the commencement of their service and shall be expected to diligently adhere to those standards in all CAWDB-related matters.

**ACCOUNTING SOFTWARE ACCESS**

**Purpose:** To institute guidelines for ensuring appropriate division of duties and access to the CAWDB accounting system to mitigate any possibility of fraud.

**Policy:** Each CAWDB staff person responsible to perform fiscal duties shall have access to the CAWDB accounting system under a separate username/ID and password and only have access to those applicable modules of the system. The CAWDB Chair and the Treasurer shall be co-administrators of the accounting system and be the only persons with full access to the system utilizing the Admin username/ID and password.

**Procedure:** The CAWDB Executive Director shall assign module access as needed to each staff person. In the event of a prolonged absence a staff person responsible for a particular accounting duty, the CAWDB Chair shall grant access to the system as needed by other staff members. In the event that the CAWDB Chair needs to grant Administrative access, a Log Report will be kept in the

CAWDB Office indicating the person access is granted to and the time period. After the necessary accounting functions are performed, the CAWDB Chair will change the administrative password.

**Access Levels by Position**

***Executive Director***

* A/P Module – Read Access only
* A/R Module – Read Access only
* Allocations – Read Access only
* Batch – Read Access only
* Client Billing – Read Access only
* Fund-Raising – None
* G/L – Read Access only
* HIPAA Billing - None
* Home – Full Access
* P/O – None

***Fiscal & Program Monitor***

* A/P Module – Read Access only
* A/R Module – Read Access only
* Allocations – Read Access only
* Batch – Read Access only
* Client Billing – Read Access only
* Fund-Raising – None
* G/L – Read Access only with exception of Bank Reconciliation and Budgets (Full

Access)

* HIPAA Billing – None
* Home – Full Access
* P/O – None

***Administrative Assistant***

* A/P Module – Full Access
* A/R Module – Full Access
* Allocations – Full Access
* Batch – Full Access
* Client Billing – Full Access
* Fund-Raising – None
* G/L – Full Access with exception of Bank Reconciliation and Budgets (Read Access

only)

* HIPAA Billing - None
* Home – Full Access
* P/O – None

**BUDGETING**

**Purpose:** To institute guidelines for ensuring the appropriate and allowable expenditure of funds in accordance with established budgets in order to assist management with planning and monitoring program delivery.

**Policy:** All funding administered by the CAWDB for either internal operations or for contracted services shall be properly budgeted to ensure appropriate availability and use of funds.

**Procedure:** The CAWDB and its Finance and Audit Committee will ensure that funds are appropriately budgeted by using, at minimum, the following means:

**Budget Format**

The CAWDB utilizes a standard format budget that includes standard line items for each category of expense. The CAWDB Operations Budget for each fiscal year shall be prepared in this format and reviewed by the Finance and Audit Committee and approved by the full Board.

Each Program Service Contract shall include a budget in a standard format prescribed by the CAWDB, which may or may not include all standard line items dependent upon the nature of the funding. Each contractor’s budget shall be reviewed by the CAWDB office and/or Finance and Audit Committee prior to the CAWDB entering into a Program Service Contract.

**Unallowable Expenses** (as cited in 2 CFR 200.422-200.475)

WIOA funds may not be used for the following expenses:

* Advisory Councils
* Alcoholic Beverages
* Alumni/ae Activities
* Bad Debts
* Commencements and Convocation Costs
* Compensation for Personal Services
* Contingency Reserve
* Cost of Money
* Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements
* Donations and Contributions
* Entertainment Costs, Fines, penalties, damages, and other settlements
* Executive Lobbying Costs
* Fundraising and investment management costs
* Fines and Penalties
* General costs of government
* Goods/services for Personal Use
* Interest
* Lobbying
* Losses on Other Sponsored Agreements/Contracts
* Selling and Marketing costs
* Student activity costs
* Under Recovery of Costs Under Federal Agreements

This list is not inclusive and other expenses may or may not be prohibited dependent upon specific situations and/or the WIOA legislation, which shall be addressed on a case-by-case basis.

In addition to allowable costs defined in WIOA regulations, contractors must abide by general cost restrictions as defined in the following as applicable:

* Department of Employment, Training, and Rehabilitation Policies
* USDOL Technical Assistance Guides (TAGS)
* Training Employment Information Notice (TEIN)

**Budget Modifications**

At no time will the CAWDB allow a Contractor to exceed the original total budget amount. CAWDB Staff will compare actual expenditures submitted against the budgeted amounts for each line item monthly. This “Planned vs. Actual” analysis method is used to prevent overspending and/or to anticipate a need for a budget modification. The Contractor is expected to adhere to the budgeted amount for each line item. Contractors may be allowed some flexibility among line items, and flexibility, if allowed, will be a negotiated percentage and included in the contract.

If the Contractor anticipates exceeding the line item or the agreed upon percentage amount of variation among line items, the Budget Modification Request/Reconciliation Form (Appendix B) must be submitted to the CAWDB Office by the Contractor before an excess occurs. Up to 3 budget modifications are allowed per contract per contract year and shall be addressed on a case-by-case basis and reviewed by the CAWDB office**.** In special circumstances, a 4th budget modification may be allowed and shall be reviewed and approved by the Finance and Audit Committee.

**Modifications Requesting Transfer of Funds between Budget Lines**

If the modification is a transfer of funds between line items, the CAWDB Office shall review the contract’s expenditures to date to determine if excess funds are available to transfer. If so, the CAWDB Office can approve the budget modification and shall notify the Contractor of approval and prepare an amended budget. Any budget modification approved by the CAWDB Office shall be reported to the Finance and Audit Committee.

**Modifications Requesting Additional Funds**

If approval of the modification requires an amendment to increase the total amount of the contract, it will be reviewed by the Finance and Audit Committee to determine 1) if funds are available, and 2) if the proposed modification is indeed necessary to provide the appropriate level of program services. If approved by the Finance and Audit Committee, the modification request will be in the form of a contract amendment, which shall be approved by the full Board.

Requests for Proposals are written to allow for extensions after the original contract has expired. Requests for Additional funds are only allowed within a contract year and would require an amendment to the contract to increase the original approved budget.

**WDB Office Budget Modifications**

The WDB Executive Director reviews the WDB office budget monthly. When budget line item overages occur or overages are forecasted, the Executive Director will complete a Budget Modification Request form (Appendix B) and present it to the Finance and Audit Committee along with an explanation for the Budget Modification for review. Once Finance and Audit Committee approves the WDB budget modification the Executive Director will modify the budget showing the movement of funds from one line item to another and write a narrative of the modification in the budget spreadsheet.

**CHART OF ACCOUNTS**

**Purpose:** The chart of accounts is structured to ensure the CAWDB can manage the stewardship of WIOA funds, produce financial statements per Generally Accepted Accounting Principles (GAAP) and Financial Accounting Standards (FASB) and federal and non-federal funding agency regulations.

**Policy:** The chart of accounts is a listing of elements in the CAWDB’s financial system using numeric characters to designate the transactions that comprise the Balance Sheet (Assets, Liabilities and Net Assets) and Income Statement (Revenue and Expenses). Our Chart of Account Policy and Procedure provides the method for assignment and maintenance of the company chart of accounts in order to produce meaningful financial data for your company. The chart of accounts policy facilitates the record-keeping process for accounting, and it applies to all general ledger account.

**Procedure:** When additions to the chart of accounts is needed, the Administrative Assistant shall develop the appropriate code(s) for the Account, Cost Center 1, Cost Center 2 or Cost Center 3 as instructed by the Executive Director. The CAWDB only maintains one Fund account for all operating expenses.

The CAWDB’s Chart of Accounts is as below –

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Acct |   | Description |   |   | Account Type |   | Status |
| 10000 |   | First Tier Bank-Cash Checking |   |   | CH |   | A |
| 11000 |   | Accounts Receivable |   |   | AR |   | A |
| 11001 |   | NYSDOL RECEIVABLE |   |   | CA |   | I |
| 15000 |   | Property |   |   | AP |   | I |
| 15100 |   | Accumulated Depreciation |   |   | FA |   | A |
| 20000 |   | Accounts Payable |   |   | AP |   | A |
| 20100 |   | Due to First Tier Bank |   |   | CL |   | A |
| 20200 |   | Other Liabilities |   |   | CL |   | A |
| 21000 |   | Payroll Tax Liability |   |   | EX |   | A |
| 21100 |   | Accrued Payroll |   |   | CL |   | A |
| 21200 |   | Employee Accrued Pension |   |   | CL |   | A |
| 21201 |   | Employer Pension Accruals |   |   | CL |   | A |
| 21300 |   | Employer Accrued medical ins. |   |   | CL |   | A |
| 21400 |   | Other Accruals |   |   | CL |   | A |
| 21401 |   | Employer Group AD&D Insurance |   |   | CL |   | A |
| 21402 |   | Employer Life Insurance Accruals |   |   | CL |   | A |
| 21403 |   | Flex Spending accrual |   |   | CL |   | A |
| 21404 |   | Employer Medical Ins buy-BACK |   |   | CL |   | A |
| 21500 |   | Deferred Revenue |   |   | CL |   | A |
| 29999 |   | Due to / Due From |   |   | IP |   | A |
| 30000 |   | Fund Balance |   |   | NC |   | A |
| 40000 |   | Program Income |   |   | RE |   | A |
| 40100 |   | Grant Revenue |   |   | RE |   | A |
| 40200 |   | Interest Earned |   |   | RE |   | A |
| 40300 |   | Unrestricted Fund |   |   | RE |   | A |
| 40500 |   | WIOA Partner Contributions |   |   | RE |   | A |
| 55000 |   | Operator Contract - Allegany |   |   | EX |   | A |
| 56000 |   | Operator Contract - Catt |   |   | EX |   | A |
| 60000 |   | Salaries |   |   | EX |   | A |
| 60100 |   | Employer FICA |   |   | EX |   | A |
| 60101 |   | Employee State Tax Withholding |   |   | EX |   | A |
| 60150 |   | Medical Insurance |   |   | EX |   | A |
| 60175 |   | Medical Insurance Buy-Back |   |   | EX |   | A |
| 60200 |   | NYS Disability Insurance |   |   | EX |   | A |
| 60250 |   | Workers Compensation |   |   | EX |   | A |
| 60300 |   | State Unemployment Insurance |   |   | EX |   | A |
| 60400 |   | Pension Contributions |   |   | EX |   | A |
| 60600 |   | Group Insurance |   |   | EX |   | A |
| 60700 |   | Flex Spending Account |   |   | EX |   | A |
| 60800 |   | Life Insurance |   |   | EX |   | A |
| 70000 |   | Bank Charges & Fees |   |   | EX |   | A |
| 70500 |   | Depreciation Expense |   |   | EX |   | A |
| 71000 |   | Line of Credit |   |   | EX |   | A |
| 80000 |   | Facility Rent |   |   | EX |   | A |
| 80100 |   | Telephone |   |   | EX |   | A |
| 81200 |   | Long Distance |   |   | EX |   | A |
| 81400 |   | Office Supplies |   |   | EX |   | A |
| 81401 |   | Membership Dues |   |   | EX |   | A |
| 81402 |   | Postage |   |   | EX |   | A |
| 81410 |   | Equipment & Furniture |   |   | EX |   | A |
| 81412 |   | Computer Software |   |   | EX |   | A |
| 81420 |   | Board of Directors Insurance |   |   | EX |   | A |
| 81450 |   | Board Meeting Expenses |   |   | EX |   | A |
| 81455 |   | Committee Meeting Expenses |   |   | EX |   | A |
| 81475 |   | Partner Meeting Expenses |   |   | EX |   | A |
| 81476 |   | Youth Meetings |   |   | EX |   | A |
| 81500 |   | Payroll Service Expense |   |   | EX |   | A |
| 82000 |   | Travel - Mileage |   |   | EX |   | A |
| 82001 |   | Travel Expenses (Meals, etc.) |   |   | EX |   | A |
| 82100 |   | System Conference Exps |   |   | EX |   | A |
| 82200 |   | Staff Training |   |   | EX |   | A |
| 83000 |   | Marketing/Advertising Expense |   |   | EX |   | A |
| 83002 |   | Software and Renewals |   |   | EX |   | A |
| 84000 |   | Printing |   |   | EX |   | A |
| 85000 |   | Equipment Leases & Maintenance |   |   | EX |   | A |
| 86000 |   | Professional Fees |   |   | EX |   | A |
| 87000 |   | Interest Expense |   |   | EX |   | A |
| 88001 |   | Youth RFP/Contract Expense |   |   | EX |   | A |
| 88002 |   | SYEP Contract Expense |   |   | EX |   | A |
| 88050 |   | Computer/Software Maintenance |   |   | EX |   | A |
| 88100 |   | Auditing Fees |   |   | EX |   | A |
| 88200 |   | Legal Service |   |   | EX |   | A |
| 88300 |   | Web Site Design |   |   | EX |   | A |
| 88301 |   | Website Hosting |   |   | EX |   | A |
| 89000 |   | Other-Miscellaneous Exp |   |   | EX |   | A |
| 91000 |   | Training |   |   | EX |   | A |
| 95000 |   | TAA Participant Expense |   |   | EX |   | A |
| 95100 |   | TAA Relocation Payments |   |   | EX |   | A |
| 96000 |   | Customized Training |   |   | EX |   | A |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cc1 |   | Description |   |   | Status |
| FY11 |   | Federal Year 2011 |   |   | A |
| FY12 |   | Federal Year 2012 |   |   | A |
| FY13 |   | Federal Year 2013 |   |   | A |
| IER |   | Interest earned |   |   | A |
| PY11 |   | PY11 WIA Funds |   |   | A |
| PY12 |   | PY12 WIA Funds |   |   | A |
| PY13 |   | PY13 WIA Funds |   |   | A |
| PY14 |   | Program Year 2014 |   |   | A |
| UNR |   | Unrestricted Funds |   |   | A |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cc2 |   | Description |   |   | Status |
| ADM |   | Administration |   |   | A |
| ADT |   | Adult |   |   | A |
| DLW |   | Dislocated Worker |   |   | A |
| DWAT |   | Dislocated Worker Funds transferred to Adult |   |   | A |
| IER |   | Interest Earned |   |   | A |
| NEG |   | National Emergency Grant Funds |   |   | A |
| TAA |   | TAA |   |   | A |
| YTH |   | Youth |   |   | A |
| YTHI |   | Youth - In |   |   | A |
| YTHO |   | Youth - Out |   |   | A |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cc3 |   | Description |   |   | Status |
| ITA |   | ITA Expenses |   |   | A |
| JSR |   | Job Search |   |   | A |
| NRP |   | Needs Related Payments |   |   | A |
| OJT |   | OJT Contracts |   |   | A |

**MONITORING**

**Purpose:**  To establish internal fiscal monitoring guidelines and carry-out sub-recipient monitoring responsibilities as set forth by the WIOA 29 CFR 95.47 and as outlined in NYSDOL Technical Advisories.

**Policy:** The CAWDB shall endeavor to be fully compliant with all NYSDOL and USDOL WIOA regulations, and other State and Federal statutes, rules and regulations, and OMB circulars as they relate to funding under the control of the CAWDB. The CAWDB shall also endeavor to ensure that all WIOA sub-recipients maintain a suitable system of “checks and balances,” that meet the same regulations and have been established according to standard accounting practices.

**Procedure:** The CAWDB has established an Administrative, Programmatic and Fiscal Monitoring Policy (Appendix C) to carry out its responsibilities This Monitoring Policy will be provided to each service provider contracted with by the CAWDB.

**Internal Budget Review**

The CAWDB Staff shall review the CAWDB expenditures at least quarterly and present a report to the Executive Committee. The report will include actual expenditures compared to budget with any differences explained. The purpose of the review is to determine the need for budget or expenditure adjustments.

**Contractor Budget Review**

The CAWDB Staff shall perform a Desk Review of each contractor’s expenses submitted each month comparing expenses to budget. A Contract Voucher Status (Appendix D) will be prepared and returned to each Contractor only if any corrections or modifications are necessary, or if the expenses submitted exceed the established budget line.

In the instance that expenses submitted exceed a budgeted line amount, the Contractor shall only be paid up to the amount allowable. The Contractor shall be responsible to review their budget, request modifications, and resubmit invoices for any amounts previously denied payment.

The CAWDB Staff shall communicate regularly with all contractors regarding expenditures, forecasts, and other fiscal issues.

**REPORTING**

**Purpose:** To ensure an adequate system of checks and balances.

**Internal Reporting**

The CAWDB staff shall provide to the Finance and Audit Committee the following:

* Budget Review, at least quarterly
* Previous meeting minutes
* Fiscal Monitoring Reports of One Stops and Contractors
* Report of Revenue and Accrued Expenditures
* Status of Expenditure Level Percentage

The Finance and Audit Committee will review and provide to the Board of Directors the following:

* Report of most recent Finance and Audit meeting
* Report of Revenue and Accrued Expenditures
* Report on Status Expenditure Level Percentage
* Report of the CAWDB’s Independent Annual Audit with any findings addressed by a written “plan of action” that has been reviewed by both the Finance and Audit and Operations Oversight Committees.
* Report of the NYSDOL Financial Oversight and Technical Assistance (FOTA) Unit’s audits.

The Executive Committee will also conduct an annual review of the following and report to the Board of Directors only if there are substantial findings:

* The single audits of One Stop Operators and any other contractor receiving WIOA funding from the CAWDB. This function is to determine that all contractors have sound internal control systems and appropriate policies and procedures in place. Any contractor having substantial WIOA findings reported in their audit shall be required to submit a written plan of action to the Finance and Audit Committee to resolve those findings*.*

**NYSDOL Reporting**

Each month, the CAWDB is required to prepare and submit fiscal reports to NYSDOL detailing monthly expenditures, cash receipts, accruals and obligations in the prescribed formats provided by NYSDOL. Report due dates and other guidelines are prescribed in NYSDOL Technical Advisory 11-2.4 Updated Financial Reporting and Cash Draw-Down Policy and Procedures for Workforce Innovation and Opportunity Act, Workforce Investment Act, Trade Adjustment Act and Other Federal funding (Appendix J)

**First in- First Out Policy**

 Per 20 CFR 683.110(a)…Unless otherwise authorized in a grant or cooperative agreement or subsequent modification, recipients must expend funds with the shortest period of availability first (First In- First Out). The previous Program Year’s (PY) funds must be spent fully before the next PY’s funds can be spent. Example: PY17 Adult funds must be fully expended before PY18 Adult funds can be spent.

In addition to reporting actual expenses outlaid during the month and cash received, the CAWDB shall also report:

* Accruals, which are defined as expenses incurred during the month but that cannot be paid until the following month. Even if an invoice has not yet been received for goods or services received during the month, an expense must be accrued against that good or service using the best possible estimation. Accruals shall be allocated using the Cost Allocation percentages calculated for that current month’s reporting if they are not directly charged to a specific funding stream.
* Obligations shall also be reported as they are incurred and consist of the amounts of orders placed, contracts and sub-grants awarded; goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period [29 CFR 97.3] for which there is a legally binding contractual agreement which includes offer, acceptance and consideration made by an authorized official.
* Stand-In Costs (if applicable) shall also be reported as they are incurred by the CAWDB itself and by any contractor. Stand-in costs are non-Federal costs that may be substituted for disallowed grant costs and must be actually incurred allowable grant costs that have not been charged to the WIOA-funded program. They must also come from the same year as the costs that they are proposed to replace, must not cause a violation of the administrative or other cost limitations, must be included within the scope of the audit, and accounted for in the auditee’s financial system required by 29 CFR Part 97 or 95 as appropriate. Stand-in costs must also be adequately documented in the same manner as all other WIOA-funded program costs. Cash match (i.e., expenditures of the organization used as match) in excess of the required match may also be considered for use as stand-in costs.
* Program income shall also be reported and is defined in 29 CFR 97.25(b) as the “gross income received by the grantee or sub grantee directly generated by a grant-supported activity, or earned only as a result of the grant agreement during the grant period…” Any program income received by the CAWDB and generated from a WIOA supported activity shall be reported as a credit towards the current month’s expenses.
* Income earned from the interest paid on WIOA funds shall also be tracked and be reported monthly as it is earned. Interest income shall be allocated to funding years and streams on the same basis as the current month’s allocation methodology.

**Other Reporting**

The CAWDB shall also prepare and submit any other reports as required by the granting agency for any other non-WIOA funds administered by the CAWDB according to the regulations, guidelines, and formats prescribed by the awarding agency.

**SINGLE AUDIT PROCESS**

**Purpose:** To ensure the CAWDB is complying with the requirements of receiving federal and non-federal grants and provide guidance for the audit process and resolution as outlined in 2 CFR 200.501.

**Policy:** The CAWDB requires that an independent audit be conducted each year to comply with federal regulations. As a nonprofit organization, non-Federal entity that expends $750,000 or more during the fiscal year, the CAWDB shall have an audit that:

* Is on an annual basis, coinciding with the CAWDB's normal fiscal year; and
* Is completed within nine months after the end of the period covered by the audit; and
* Is an agency-wide audit that includes financial and compliance coverage of the WIOA program within its scope; and
* Complies with US General Accounting Office's Government Auditing Standards (1994 revision); and
* Complies with 2 CFR Part 200 for grantees that are nonprofit organizations, institutions of higher education or units of State and local governments. Compliance Supplements must also be used, if applicable.

**Procedure:** The Executive Director shall solicit proposals from various auditors for the audit service and preparation of the CAWDB’s tax return. Proposals received are presented to the Finance and Audit Committee for review.

Upon selection of an auditor, the Executive Director shall arrange for an “entrance” conference allowing the auditor to review their scope of services and providing the Finance and Audit Committee an opportunity to confer with the auditor without the CAWDB staff in attendance.

Once the audit is completed, the auditor shall present both the audit report and tax return to the Finance and Audit Committee and the full Board for review and approval.

**GRANT CLOSEOUT**

**Purpose:** To establish closeout procedures for all federal programs administered by the CAWDB.

**Policy:** The CAWDB’s Grant Closeout Policy is specified herein. Any provisions contained in the Workforce Investment and Opportunity Act Regulations or other application laws and regulations shall apply, even if they are not explicitly stated in this policy. Nothing in this policy shall be construed to contradict prevailing laws and requirements in accordance with the applicable uniform administrative requirements.

**Procedure:** The CAWDB shall follow the grant closeout procedure as established by NYSDOL each year for all WIOA and Trade Act funds received. This includes a cash reconciliation to return of any funds not used and reporting any outstanding liabilities.

**GENERAL LEDGER OVERVIEW**

**Purpose:** The general ledger is the primary information repository for the CAWDB’s business activities and financial condition. Accordingly, the general ledger’s financial encoding structure and values (its “chart of accounts”) must be maintained accurately to maintain the integrity of the CAWDB’s financial reporting.

**Policy:** Any requested modifications (additions, deletions or changes) to the general ledger chart of accounts must be submitted to the Executive Director via the General Ledger Chart of Accounts Maintenance Form and accompanied by a statement justifying the business reason for the change.

**Procedure:** In order to accurately maintain the general ledger chart of accounts, only authorized personnel are authorized to perform production system chart of accounts maintenance or modifications (additions, deletions and changes). The CAWDB also must maintain documentation justifying modifications to the chart of accounts.

**JOURNAL ENTRIES**

**Purpose:** To outline the process which ensures that all manual journal entries to the CAWDB’s general ledger are properly prepared, reviewed, approved, and recorded in accordance with audit requirements.

**Policy:** The CAWDB recognizes that manual general ledger journal entries are an essential part of the work of finance personnel. The aim of this document is to ensure a consistent best practice methodology for manual general ledger journal entries. Staff that are responsible for preparing, entering, or approving journal entries must be knowledgeable of journal entry procedures.

**Procedure:** Manual journal entries are used for the following purposes:

* To transfer costs from one chart field to another
* To transfer funds from one chart field to another
* To correct errors made this year
* To record transactions that are not captured in any of the sub ledgers

All journal entries must be adequately supported by the source documentation that necessitated the need for the journal entry. A copy of the journal entry should be attached to the source documentation and maintained in that month’s WIOA Report file. The Executive Director shall review all journal entries prior to the Administrative Assistant posting them.

**CASH REQUESTS**

**Purpose:** To provide consistent flow of WIOA funds to the CAWDB in order to ensure sufficient funds to meet day-to-day operation expenses based on guidelines set out by Technical Advisory 11.2-4. (Appendix J)

**Policy:** A Cash Request (Appendix E) shall be generated and submitted to NYSDOL to draw down funds~~.~~ A copy of the Cash Request shall also be submitted to the WIOA grantee, Cattaraugus County, to notify the Treasurer’s Office that funds have been requested and should be received within 5 days.

**Procedures:**

**Responsibilities by Position:**

**Administrative Assistant/Bookkeeper**

* Consult with the Executive Director regarding the amount of funds (if any) to be drawn for CAWDB Office expenses.
* Enter the amounts to be requested from each fund into the “Cash Request Balances and Tracking Sheet” to verify the amounts are available in each funding stream in order to monitor cash drawn and prevent an overdrawn fund.
* Prepare the Cash Request form specifying the total amount of funds to be drawn from each funding source by program year.
* Prepare County Voucher (Appendix E) according to the Cash Request and indicate on the Voucher to process as an “Offline Transfer” to ensure wire transfer of funds to the CAWDB account.
* Prepare CAWDB Invoice (Appendix E).
* Obtain Executive Director approval/signature on the Cash Request, invoice and voucher.
* Submit the Cash Request to NYSDOL and the grantee – Cattaraugus County Treasurer’s Office.
* Copy Voucher, Invoice, and Cash Request for record.
* Submit original Voucher, Invoice and copy of Cash Request to the Cattaraugus County Department of Social Services Accounting
* Send an e-mail to the Cattaraugus County Treasurer’s Office with a copy of the Cash Request to notify that funds should be received from NYSDOL.

In the event the Administrative Assistant is NOT available, the Fiscal and Program Monitor will complete the “Cash Request” as needed.

**Executive Director**

* Review and sign/approve Cash Request, Invoice, and County Voucher.

In the absence of the Executive Director, the Administrative Assistant may use the Executive Director’s electronic signature with the Director’s consent. This procedure is allowable to expedite the Cash Request process.

**FIVE DAY CASH ON HAND RULE**

**Purpose:** To ensure the CAWDB adheres to the Five Day Cash on Hand (COH) rule as established by NYSDOL.

**Policy:** At no time, shall the CAWDB have more than five days of COH. Exceeding the five days COH means that the CAWDB has drawn down more funding than it needs for daily operating expenditures and can be sanctioned by NYSDOL.

**Procedure:** When drawing down funding per the Cash Request Policy, the Administrative Assistant shall order only those funds needed to meet immediate expenses within the next week. When cash is received from NYSDOL, the Administrative Assistant shall disburse those funds on the same day in order to keep the COH to a minimum. The Executive Director shall oversee this process.

**ACCOUNTS RECEIVABLE**

**Purpose:** To ensure that all cash/checks/revenues are accounted for and managed in a fair and consistent systematic approach, according to contractual compliance standards and GAAP.

**Policy:** All funds received must be deposited the day of receipt or safe guarded (locked up) until a deposit can be made. The CAWDB does not accept credit cards for payment of any expenses.

**Procedures:** Funds received in check form must be recorded on the day of receipt in a manual log along with a photocopy of the check, which must be maintained as the source document. Cash Request funds are wire transferred directly from the Cattaraugus County Treasurer into the CAWDB bank account to expedite receipt so as to adhere to the required Cash-on-Hand minimum level for the month (5 days cash or less) as required by NYSDOL. Only funds ordered from NYSDOL via a Cash Request are handled in this manner.

**Responsibilities by Position:**

#### Fiscal and Program Monitor

* Receive all incoming checks by Cattaraugus County Mail Courier, regular mail or hand-delivered.
* Maintain a log of incoming checks noting check number, date the check was received, and the amount.
* Date stamp the check “Received.”
* Prepare Deposit Slip and stamp the back of the check “For Deposit Only.”
* Copy front and back of check for file.
* Forward check to Executive Director.

#### Executive Director

* Review the check and deposit.
* Deposit check into CAWDB bank account.
* Return deposit slip to the Administrative Assistant/Bookkeeper.

**Administrative Assistant**

* Maintain files of checks/cash requests with stubs and deposit slips.
* Record revenue in accounting system.
* Confirm wire transfer of Cash Request funds via the bank website. If funds were received, print out the page and staple to copy of corresponding Cash Request.

In the event that the Fiscal and Program Monitor is unavailable, the Administrative Assistant shall receive incoming checks, and the Executive Director shall prepare a deposit slip and carry-out all associated duties, as well as depositing the check.

##### BANK RECONCILIATION

**Purpose:** To ensure and provide a consistent and systematic approach to managing and monitoring WIOA and any other available funds.

 **Policy:** To ensure an effective internal control system that properly segregates duties. This procedure allows for a functional system of checks and balances by assigning responsibilities of authorizing and recording transactions among different people in the organization.

**Procedures:**

**Responsibilities by Position:**

**Fiscal and Program Monitor**

* Perform the bank reconciliation on accounting system addressing any unreconciled items. When performing the bank reconciliation, the End of Month (EOM) balance from the bank statement should be used.
* Post any interest earned during the appropriate period.
* Print out all reports relating to the bank reconciliation as listed on the Bank Reconciliation Month-End Closing Checklist (Appendix F). File all reports and checklist in Bank Statements binder.
* Reconcile cash receipts with bank statements on a monthly basis.

**Executive Director**

* Perform the Book-Bank Reconciliation ensuring that the accounting system is reconciled with the monthly reports and the check register.
* Review bank reconciliation and initial the checklist for procedure validation.
* Provide a copy of each month’s Bank Reconciliation Report to the Executive Committee for review on a monthly basis.

**ACCOUNTS PAYABLE**

**Purpose:** To provide consistent cash basis approach to managing payment of CAWDB expenditures and ensure that they comply with standard accounting practices.

**Policy:** The Board has set a “two-signature requirement” on all checks. Both the Executive Director and the Fiscal and Program Monitor must sign all checks for payment of accounts. In the event of the unavailability of either the Executive Director or the Fiscal and Program Monitor, the Board Chair and Treasurer may co-sign CAWDB checks to expedite payments. WIOA funds cannot be used to pre-pay expenses except for those deemed as allowable by regulations. **Checks payable to “cash” are strictly prohibited.**

**Procedures:** All checks issued by the CAWDB must be supported by appropriate source documentation that includes payment authorization on the vendor invoice. All vendor invoices shall be monitored for the following:

* Errors in calculation of amounts submitted for reimbursement; and
* Documentation is submitted to support reimbursement.

**Responsibilities by Position:**

**Administrative Assistant/Bookkeeper**

* Date stamp each bill “Received” when opened.
* Discuss cash flow position with Executive Director, when needed, and determine which invoices can be paid to avoid an “over drawn” cash situation.
* Present vendor invoices to Executive Director for payment authorization, which shall be notated on invoice by initializing and indicating the amount authorized for payment.
* Prepare checks for payment using the accounting system A/P module.
* Enter the date, check number, payee, description and amount into the electronic Check Register.
* Forward checks with corresponding invoices to the Fiscal and Program Monitor and the Executive Director for review and signature.

**Executive Director and Fiscal and Program Monitor:**

* Review each check and corresponding invoice.
* Sign each check as authorization of payment to the vendor for goods and/or servicesreceived.
* Return to Administrative Assistant/Bookkeeper for mailing and/or delivery.

**Administrative Assistant/Bookkeeper**

* Review each check for proper signatures.
* Staple check stub to the invoice (supporting documentation or back-up) for retention.
* Mail each check to proper vendor.

**Procedure for Processing Contractor Invoices:** A separate process is used to process contractor invoices for WIOA services to ensure that the contractor has not exceeded their approved budget and to determine whether or not a budget modification may be warranted.

**Responsibilities by Position:**

**Fiscal and Program Monitor**

* Receive monthly invoices from contractors via e-mail, fax, regular mail, or hand-delivery and date stamps each invoice.
* Review each invoice to ensure that it is properly completed and includes a signature.
* Compare the amount billed by line item to each contractor’s established budget using the Contract Tracking Sheet verifying that there are funds in the budget to pay the invoice as submitted.
* Prepare the Contract Voucher Status form indicating the total amount of the invoice to be paid and initial the invoice amount.
* Submit the Contract Voucher Status and Invoice to the Administrative Assistant/Bookkeeper.

**Administrative Assistant/Bookkeeper**

* Stamp the invoice and Contract Voucher Status “Approved By” and forward to the Executive Director.

**Executive Director**

* Review each invoice and Contract Voucher Status form and sign off indicating approval of the amount to be paid; return to Administrative Assistant/Bookkeeper for processing.

##### STALE CHECKS

**Purpose:** To provide guidelines for resolving stale checks.

**Policy:** The CAWDB shall consider a check stale when it is beyond 90 days of its issuance date and it has not yet been cashed. Stale checks shall be voided by the Administrative Assistant upon the guidance of the Executive Director.

**Procedure:** During the bank reconciliation process, the Fiscal and Program Monitor shall note any outstanding checks that have not yet cleared through the bank and report any to the Administrative Assistant. The Administrative Assistant shall attempt to contact the vendor to determine the status of the check, i.e. lost, stolen, destroyed, never received. If any of these have occurred, the Administrative Assistant shall contact the bank and request a stop payment, void the check in the accounting system and re-issue it as the situation may require.

**VOIDED CHECKS**

**Purpose:** To provide guidelines when it is necessary to void checks.

**Policy:** Voiding checks in the accounting system should only be performed when absolutely necessary.

**Procedure:** The Administrative Assistant shall be the person responsible for voiding any checks for the situations below:

* Stale dated checks
* Checks already issued
* Accounting system malfunction
* Hardware malfunction

If a void is necessary, the Administrative Assistant shall perform the void in the accounting system. In the case of voiding checks that have already been issued but have not yet been mailed, or if there is an accounting system or hardware malfunction, the Administrative Assistant shall keep those checks in a file and marking them “VOID”. If it is a stale dated check, the Administrative Assistant shall pull the invoice and check stub from that month’s file and mark it “VOID” and keep it in the voided check file. The Administration Assistant shall confer with the Executive Director prior to voiding any checks.

##### CREDIT CARDS AND OTHER CHARGE ACCOUNTS

**Credit Cards:** Two CAWDB credit cards are available for use by staff for convenience in purchasing items, services, and making travel reservations (hotel, airline, rental car, etc.). In addition, the CAWDB has a Staples credit card for office supply purchases.

**Other Charge Accounts:** The CAWDB maintains “house” charge accounts at the following local merchants –

* The Paper Factory – for office supplies and other specialty items (marketing)
* Beef N’ Barrel Restaurant – for committee meetings
* Reid’s grocery store – for supplies/refreshments

When a “house” account is used, the staff person incurring the charge shall turn in the receipt to the Administrative Assistant/Bookkeeper to reconcile when the invoice is received.

**Policy:** All credit card and charge account debt will be paid in full each billing cycle to avoid finance charges. In the event of a lost or stolen credit card, the individual must report the loss to the Executive Director as soon as the loss is realized. At no time shall any staff person apply for and open any additional credit or “house” charge accounts on behalf of the CAWDB without prior approval of the Finance and Audit Committee.

**Procedure:**

* The procurement methods outlined in the section “Procurement/Purchasing System” of this manual must be followed.
* Receipts for all purchases must be requested at purchase and forwarded to Administrative Assistant/Bookkeeper for safekeeping, which is then attached to bill for documentation.
* Under no circumstances may these cards or charge accounts be used for the purchase of any items or services for personal use. If, however, accidental usage does occur, the staff person involved shall reconcile the charge during the current month’s billing. A repeat violation shall be brought to the attention of the Finance and Audit Committee for possible further action.

**INVENTORY & FIXED ASSETS**

**Purpose:** To ensure an effective internal control system that safeguards and ensures proper accounting for assets.

**Policy:** An inventory listing of all equipment, office furniture and other items with a value of $500 or more and/or a useful life of more than one-year shall be maintained by the CAWDB. Single items with a purchase value of over $500 and a useful life of at least 5 years shall be capitalized and straight-line depreciated by 20% each year.

**Procedures:** The following information must be tracked and entered into a computer database file.

* + - Description of the item, make and model
		- Purchase Date
		- Cost
		- Serial Number
		- Location of the item and User Name
		- NYSDOL Bar Code Tag # (applicable to only computer equipment purchased with Implementation Grant funds.)
		- Depreciated value as of the end of the program year
		- Method of Disposition

In the event that a piece of equipment is deemed unusable, the CAWDB shall assume responsibility to ensure that the item is disposed of according to NYSDOL and USDOL regulations.

On an annual basis, the CAWDB will perform a physical inventory to verify the item still exists, the condition of the item, and to ensure the inventory tag is still attached.

**NEW YORK STATE SALES TAX EXEMPTION**

**Purpose:** To ensure the appropriate use of the NYS sales tax exemption for CAWDB purchases.

**Policy:** The CAWDB is exempt from New York State Sales Tax effective September 26, 2001. Generally, sales tax is a non-allowable expense. The CAWDB’s Sales Tax Exempt status may be used only for agency purchases; individuals **may not use** the tax-exempt certificate for purchases of a personal nature. Every reasonable effort shall be made by the CAWDB Staff not to incur state sales tax on purchases.

**Procedures:** Before making a purchase, obtain a tax-exempt form from Administrative Assistant/Bookkeeper and give to the vendor at the time of purchase.

COST ALLOCATION

**Purpose:** To ensure a system that appropriately distributes costs to available funding streams either by direct or shared cost allocation in accordance with NYSDOL and federal regulations.

**Policy:** There are only two cost categories for the WIOA Title IB grants, which are Administration and Program Activities. To be allowable, a cost shall be necessary and reasonable for the proper and efficient administration of the program; be allocable to the program; and, except as provided in the case of governmental recipients/sub recipients, not be a general expense required to carry out the overall responsibilities of the Governor or a governmental sub recipient. All CAWDB expenses shall be distributed equitably across all funding sources, as appropriate, on a monthly basis.

**Direct Costs (D)** are those activities and costs clearly related to a specific program, contract, or funding source and do not require any further allocation or breakdown by funding source or cost category .

**Direct Admin Costs (DA)** are those expenses defined by WIOA as directly relating to only administrative functions, which are defined as:

* Accounting, budgeting, financial and cash management functions;
* Procurement and purchasing; Property management; Personnel management and payroll functions
* Coordinating the resolution of findings arising from audits, reviews, investigations and incident reports;
* Audit functions
* General legal services functions
* Developing systems and procedures, including information systems, required for these administrative functions
* Performing oversight and monitoring responsibilities related to WIOA administrative functions
* Costs of goods and services required for administrative functions of the program
* Travel costs incurred for official business in carrying out administrative activities or the overall management of the WIOA system
* Costs of information systems related to administrative functions

**Shared Costs (S)** are all other activities and costs that cannot be directly attributable to a specific funding stream or administrative function and shall be equitably allocated across all WIOA funds (Adult, Youth, Dislocated Worker and Administration). These costs are incurred for a common or joint purpose benefiting more than one cost objective.

**Shared Program Costs (SP)** are certain shared expenses that can only be attributed to the program funding streams (Adult, Youth, Dislocated Worker) as there is no direct benefit to the Administrative funds.

|  |  |
| --- | --- |
| EXPENSE | Allocation Method |
| Salaries | S; D |
| Fringe | S; D |
| Rent | S |
| Telephone | S; D |
| Office Supplies | S; D |
| Postage | S; D |
| Dues | S |
| Travel & Conferences | S; D |
| Staff Training | S; D |
| Printing | S; D |
| Equipment Leases | S |
| Board of Directors Insurance | DA |
| Meeting Expenses | DA |
| Legal Services | DA |
| Audit Services | DA |
| Marketing | SP |
| Website; Software/Computer Maintenance | SP |
| Internet Portal | SP |

#### Allocation of Staff Salaries

Salaries shall be allocated according to the individual’s activities for that month. Staff will complete Time Distribution Reports (Appendix G) to identify and record activities and hours worked that are directly attributable to a specific program, contract or funding source. All other activities shall be deemed as program. Using the Cost Allocation Worksheets (Appendix H), percentages of admin vs. program will be calculated for each individual. Program percentages will be further divided into separate percentages for the adult, youth and dislocated worker funds. These percentages will be used to allocate salary and fringe expenses for the month.

#### Allocation of Office Expenses

Office expenses deemed as Shared Program Costs shall be allocated using a formula based upon: 1) the overall administrative vs. program hours for CAWDB staff; and 2) the workforce investment area’s overall spending patterns for adult, dislocated worker and youth funds.

The overall administrative and program percentages applicable to Shared Costs shall be calculated using the hours from staff Time Distribution Reports, which are input into the Cost Allocation Worksheet. The overall program percentage is then further divided into percentages for the adult, youth, and dislocated worker funding streams using the One Stop Career Centers and other contractors previous three months expenses for each funding stream to calculate the percentage of each fund to apply to the current month’s expenses.

**Procedure:**

#### ALL STAFF

* All staff, except those whose entire salaries and fringe are directly attributable to a specific grant funding source, shall complete a bi-weekly Time Distribution Report detailing hours worked and activities related to specific programs, contracts or funds.
* Time Distribution Reports shall be turned in at the end of the month to the Administrative Assistant/Bookkeeper.

**Administrative Assistant/Bookkeeper**

* + Input the hours from the Staff Time Distribution Reports into the CAWDB Office Expense Allocation Worksheet to calculate allocation percentages for each staff person’s salary and fringe.
* Input the expenses into the County Expenses Worksheet for the most recent month from all vendors’ invoices to compute the percentage breakdown of WIOA expenses for the previous 3 months.
* Calculate allocation percentages for program-related CAWDB Office expenses using the County Expense Allocation Worksheet.
* Set-up allocation codes within the accounting system.
* Apply the allocation codes to expenses with the accounting system.

###### TRAVEL REIMBURSEMENT

**Purpose:** To ensure reimbursement to all CAWDB Staff and Board Members for travel expenses relating to meetings and/or authorized conferences and training events.

**Policy:** Prior authorization of the Executive Director and or Board Chair for attendance at or travel to out-of-area conferences and training events is required for CAWDB staff. Documentation of expenses related to travel must be submitted before reimbursement. Mileage for use of personal vehicle for travel shall be compensated at the current IRS standard mileage rate, which is subject to change. Any changes in the mileage rate shall be reported to the Finance and Audit Committee to be reviewed for possible budget impact. Reimbursement is not allowable for travel expenses paid for with the CAWDB credit card. CAWDB staff shall make every effort to adhere to current state and federal travel regulations.

**Procedures**: Each staff member or Board Member must complete the Mileage and Travel Expense Form (Appendix I) and attach receipts for meals, parking, toll booths and any other allowable expenses. The Executive Director must approve reimbursement before payment can be made to staff. For CAWDB Members and the Executive Director, the CAWDB Chair or Vice-Chair must approve the Travel Expense form.

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###### PROCUREMENT & PURCHASING

**Purpose:** To ensure the appropriate procurement/purchasing of supplies and services related to the operation of the CAWDB office by providing standard guidelines.

**Policy:** Any CAWDB staff member may purchase supplies, equipment, and services for office operations, within the guidelines prescribed below, using the credit card or charged on account with vendors. The CAWDB utilizes the following procurement methods:

* Small Purchases
* State Bid Option
* Installment Purchase Contracts
* Request for Proposals
* Sealed Bid
* Sole Source

**Procurement Guidelines**

* **Purchases of less than $200** are subject to discretion of the purchaser. No advance authorization is required.
* **Purchases between $200 and $499** shall be initiated by the Administrative Assistant/Bookkeeper who shall consult with the Executive Director before placing an order.
* **Purchases of single items of $500 and more, require the following procedure:**

A minimum of three (3) bids must be obtained and documented. Bids can be obtained by phone call, Internet research, or submission of a written quote by a vendor. Procurement shall be awarded to the lowest bidder, unless justification is provided as to why another vendor should be used. Prior written authorization from the Executive Director is required before awarding any purchase. Purchases of single items valued at more than $5,000 also require prior NYSDOL and USDOL approval.

* + **Purchases of services more than $5,000 require the following procedure:**

 The RFP process or Sealed Bid Process will be used, with the resulting award approved by the CAWDB Board of Directors.

* **Procurement of Professional Services:**

The provider of a service by a professional does not define that as a "professional service." Professional services are any professional, technical, or consultant services predominantly intellectual in character. They include analysis, evaluation, predicting, planning, or recommendation and result in the production of a report or the completion of a task. Professional services require specialized knowledge and training (often through long and intensive academic preparation) or in-depth experience in a particular field or discipline. The CAWDB procures such professional services such as auditing, legal, and insurance.

Professional services are exempt from the three (3) bid requirement. Although the RFP process may be used to obtain professional services, it is not required. No matter how limited the service required, the CAWDB will prepare some type of specification before contacting a potential contractor. This specification can be in several forms, such as statements of interest and qualifications, requests for proposals, and informal requests, such as a letter describing work to be performed. In all cases the same information must be provided equally to all prospective contractors. If it is anticipated that the resulting contract will continue from year to year, or in phases, that shall be stated in the request.

If the RFP process is utilized, the CAWDB is not required to procure the lowest bid, as in securing professional services, the primary goal is to obtain the services of a professional who has a proven record of providing, in a professional way, those services which are required. Any resulting contract shall be reviewed and approved by the CAWDB Board of Directors.

**Micro-Purchase Process**

Purchase decisions under $3,000 (aggregate cost) for labor, equipment, supplies or services purchased, leased or contracted are considered micro-purchases. Routine micro-purchases, can be purchased without obtaining competitive quotations. The CAWDB will rotate between vendors when making those purchases to ensure the purchases are fair and equitable unless state contract pricing is used. For non-routine micro-purchases, the CAWDB will document that the price is reasonable unless state contract pricing is used. Price reasonableness will normally be based on one of, but is not limited to, the following: a price comparison between two (2) vendors (using oral quotations, written quotations, internet quotations or a catalog comparison), a comparison of historical prices paid for the item, documentation of other offers, etc. Purchase decisions between $3,000 and $5,000 (aggregate cost) for labor, equipment, supplies or services purchased, leased or contracted for shall be made only after receiving, whenever possible, oral quotations from at least three (3) vendors unless state contract pricing is used.

Purchase decisions exceeding $5,000 (aggregate cost) for labor, equipment, supplies or services purchased, leased or contracted for shall be made only after receiving whenever possible, written quotations from at least three (3) vendors, unless state contract pricing is used. Specific selections shall be recommended to the Executive Director for approval with written quotations attached for review.

**Small Purchase Process**

Small purchase procedures are utilized for procurement of services, supplies and equipment that do not exceed $4,999 in aggregate. Small purchases are initiated by placing an order with the vendor by phone, online, or by procuring the item directly from the store.

**State Bid Process**

In the case of purchasing goods or services for which a State bid process has occurred and the goods and/or services are documented on the State Bid List, the CAWDB office may elect a State bid option in lieu of a local process. Regardless of the cost level of the purchase being considered, the CAWDB Office may include existing State Bids in its cost/price analysis and may elect to procure goods and/or services from the State Bid List as an alternative to local procurement methods, should it be deemed expedient and/or cost effective.

#### Installment Purchase Contracts

Purchase agreements calling for periodic payments, whether the agreements are titled installment purchases, leases, lease-purchases or leases with option to purchase, constitute installment purchase contracts when all or part of the periodic payments are applied toward the purchase of the equipment.

An agreement will generally constitute an installment purchase contract if title will pass to the CAWDB automatically or for a nominal consideration at the end of the term of the agreement, or if an option price is an amount less than the fair market value of the equipment at the time the option is exercised.

When considering the merits of leasing vs. purchasing, the most economical and practical method should be used. When obtaining goods and services through a lease, the total value of all future lease payments for the entire term of the lease constitutes the dollar value of the procurement; therefore, installment purchase contracts constitute purchases that are subject to competitive bidding requirements if the total amount proposed to be paid over the term of the agreement exceeds the $500 threshold. This does not apply to facility leases, which may utilize an annual average.

**RFP and Sealed Bid Process**

Competitive RFP or Sealed Bid Process procedures are utilized to procure service, supplies or equipment where cost is the primary determinant and cost exceeds $5,000. For any one item of equipment procured that exceeds $5,000, the CAWDB will obtain the appropriate Federal/State approval. The CAWDB utilizes technical evaluations to review and rank proposals and awards are made to responsible applicants whose proposals are most advantageous to the program about price, technical and other factors.

RFP and sealed bid processes are conducted in a manner of full and open competitions. In the event of any other type of purchase other than Small Purchase, the procurement options are reviewed and the Finance and Audit Committee and/or appropriate board committee will determine the proper option.

**Request for Proposals (RFP)** are used to solicit complex proposals from contractors for all work sub-contracted by the CAWDB that is not let on the basis of a Sealed Bid Process and is valued in excess of $5,000. All RFPs shall be approved by the Board before issuance with all resulting contracts awarded by Board approval as well.

**RFP Requirements**

1. Public Notices - Each RFP issued by the CAWDB will be printed in official newspapers of the CAWDB and on the CAWDB’s Website. Public Notices will contain, at a minimum, the following:

1. The program for which an RFP is requested
2. Deadline for submitting sealed RFPs (date, time and place)
3. RFP review and selection process methodology
4. CAWDB contact person and phone number

2. Official Newspapers

The following are designated as official newspapers of CAWDB:

Olean Times Herald

Wellsville Daily Reporter

Additional newspapers may be used as desired.

3. Applicant's List

CAWDB maintains a list of organizations that are interested in proposing on programs. Any responsible organization such as a private for profit or a not-for-profit organization such as a school, community based organization, or educational services company can request to be placed on the list. Notification of available RFPs will be sent to all organizations on the list known or believed to meet eligible applicant requirements.

4. Content of RFP's

There is great latitude left to staff in the content of RFPs. As a minimum, the following information must be included in every RFP:

1. Date, places and time of RFP submission deadline and bidder’s meeting.
2. CAWDB contact person and phone number.
3. Purpose of the proposal solicitation.
4. Statement of Non-Collusion.

In accordance with NYS General Municipal Law Section 103-d, all applicants must sign a Statement of Non-Collusion and return it with their RFPs. The content of the statement is as follows:

*"By submission of this RFP, each applicant and each person signing on behalf of any applicant certifies, and in the case of a joint RFP each party thereto certifies as to its own organization, under penalty of perjury, that to the best of knowledge and belief:*

*The prices of this RFP have been arrived at independently without collusion, consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other applicant or with any competitor;*

*Unless otherwise required by law, the prices which have been quoted in this RFP have not been knowingly disclosed by the applicant and will not knowingly be disclosed by the applicant prior to opening, directly or indirectly, to any other applicant or to any competitor; and*

*No attempt has been made or will be made by the applicant to induce any other person, partnership or corporation to submit or not to submit a RFP for the purpose of restricting competition."*

The CEO of the applicant or other individual responsible for submitting the RFP must sign the statement.

1. Evaluation Criteria

Each RFP must list the criteria for RFP evaluation. Criteria can be as broad as desired, but no criteria can be used to evaluate a proposal unless it was specifically listed in evaluation criteria in the RFP. Criteria can include cost, cost per participant, prior experience, program length, program goals, etc.

1. Specific information on the program to be run or services or equipment to be required.
2. Requirements of RFP submission, such as budget information or other cost data, information about the applicant and their experience, credentials of programs operators, goals achieved, etc.

5. Amendment to RFPs

State law requires that all applicants have an equal opportunity to respond to RFPs. Any information supplied to an applicant in response to questions or as corrections to RFPs must be given to all applicants. Pre-award conferences will take place when deemed necessary and appropriate. A written RFP amendment or a written question and answer document will be developed and issued to all applicants at the same time and, to the extent possible, in the same manner.

6. Late and/or Non-Responsive RFPs

Any RFP response received after the due date and time, for any reason, will not be considered by CAWDB and will be returned unopened. Additionally, RFP responses that fail to address the RFP requirements will be deemed non-responsive by staff and not evaluated further.

1. Open RFP Process

CAWDB allows the use of an open or on-going RFP process for non-specific programs. All RFP requirements must be met except the deadlines - No RFP can be received that was not advertised for and thus requested. Public notice and all other advertisement for an open RFP will clearly state that it is an open process and the circumstances under which the process may be closed at a future date.

8. Evaluation Process

CAWDB staff will prepare a technical analysis of each responsive RFP received. The fiscal department may be asked to provide a comparison financial analysis. An unbiased review committee may be established, in which case, reviewers will complete identical rating/evaluation sheets. The CAWDB Office, in this instance, will produce a composite analysis. Evaluations and staff recommendations are submitted to the appropriate CAWDB committee for their review. From the Committee(s), the recommendation is given to the full CAWDB for a final decision.

9. Awards

The full CAWDB shall make RFP awards to the applicant whom, in its judgment, best meets the requirements of the RFP. When time limits prevent bringing the entire CAWDB together, the Executive Committee may award RFPs. If no proposal is acceptable to the CAWDB, a second RFP, modified to emphasize areas of concern, may be issued using the same process as the initial solicitation.

# **Sealed Bid Process**

In instances of larger purchases that call for a formal competitive process, but which do not have the complexity that warrants a full RFP process, the CAWDB will solicit bids. A written notice, with a detailed description of the product(s) or service(s) to be purchased will be issued publicly and directly to vendors from the region known to provide the product(s) or service(s). This notice will include information about what is to be included in the bid and the format for bid submission, all requirements and restrictions that pertain to the bid and the date, time and location of the bid opening, as well as the deadline for bid submission.

The Finance and Audit Committee of the CAWDB will open all sealed bids at the specified time. Bids that meet all of the requirements in the notice will be considered. The lowest bidder that meets all of the requirements will be selected. In the case of 2 or more bids in the same dollar amounts, the Finance and Audit Committee reserves the right to make qualitative judgments related to selection.

**Sole Source Process**

When it is clear that no other contractor can provide a specific product or service, single source procurement may be made. This provision cannot be used to favor a contractor; it can only be done when there is no doubt there will be no other contractor. Sole source process can only be used for purchases under $5,000 without prior review and approval of Executive Committee.

Non-competitive negotiation procedures or sole source procurement will be utilized by CAWDB when:

* The item is available only from a single source.
* When the urgency for the requirement will not permit the time needed for competitive solicitation.
* The Grantor Agency explicitly authorizes non-competitive negotiation.
* Following solicitation of a number of sources, it is determined that only one source is capable of meeting the solicitation requirements.

Goods and services acquired through the sole source process must meet specifications that are equivalent to the specifications in a competitively bid process. Any sole source purchases will meet one of the above criteria and be authorized in writing by the Executive Director.

#### Time Frames

Contracts for goods and services shall not exceed 5 years in duration and shall not obligate the CAWDB for expenditures that are to be incurred beyond the program year in which the contract becomes effective. In the case of contracts that extend beyond 1 year in duration, expenditures levels and contract deliverables are to be negotiated in the fourth quarter of the initial contract year, to be effective at the beginning of the subsequent program year. The CAWDB will reserve the right to discontinue any contract, with due notice, if negotiations related to costs or performance are, in its viewpoint, unsuccessful.

The CAWDB Finance and Audit Committee will review the performance and pricing of its vendors at least annually and shall make decisions as to the need to re-bid for the purpose of lowering costs or increasing its return on investment. Consideration will be given to satisfaction with past performance of the vendor, the extent to which the vendor has developed a significant knowledge base related to the needs of the CAWDB, and the local/regional market rates for similar goods and services as those being purchased from the vendor being reviewed. In no case will goods and/or services be purchased from the same vendor for more than 5 successive years without conducting a competitive process.

**Cost/Price Analysis**

The CAWDB will perform cost/price analyses for general office supplies procured with the small purchase process. The CAWDB will establish NYS government pricing accounts with vendors, if possible. If other suppliers are available that may offer comparable pricing, the CAWDB will compare the government pricing with other available suppliers periodically, but no longer than every two years, to ensure that the best possible prices are obtained.

The CAWDB will perform cost analyses on sealed bid procurements by comparing costs against the various bids received. The competitive RFP process budgets are reviewed first to ensure that costs are allowable under WIOA. Further analysis reviews, for example, cost per person served, cost per outcome, comparison to other similar programs and services, reasonableness of all budgeted items as compared to recent past costs for similar goods and services, and a review of any off setting contributions from other sources.

**Oversight of Files and Contract Administration**

The CAWDB Office will maintain the required documentation for all items/services procured, be it an equipment purchase or a RFP solicitation and to ensure that all vouchers and payments correspond to the original RFP, solicitation guidelines and contract term.

**Record Retention**

CAWDB will retain all program and fiscal records as outlined in the CAWDB Document Retention and Destruction Policy. Sub recipients are also required to meet the requirements for records retention as outlined in the policy as well. If a contractor does not have storage space in their facility, CAWDB will obtain and store the files in an appropriate storage facility.

**Disputes, Protests and Claims**

For formal complaints, the CAWDB has established the Non-Criminal Complaint Procedures. All applicants/contractors will be informed of the LWDA complaint and grievance procedures.

In the event of any ambiguity or controversy concerning the act of procurement, and also including the terms or provisions of contract's agreements, the operation of the program, the preparation and maintenance of any records or documents, the administration of fiscal procedures, or the interpretation of any federal, state, local or LWDA statutes, rules or regulations, the matter shall promptly be submitted to the Executive Committee for determination and decision, and said determination and decision shall be final and binding. Contractors shall continue the performance of the contract agreement pending such determination and decision.

**Other**

1. Local Preference

Wherever possible, and when not prohibited by federal or state regulations, CAWDB will attempt to purchase goods and services within Cattaraugus or Allegany County.

 2. Small, Minority and Woman Owned Business

CAWDB will make every effort to ensure that small businesses, women and minority owned businesses are utilized as sources of goods and services.

3. Government Contracting

Contracts with units of state or local governments will be on a cost reimbursable basis.

**Reimbursement Method**

The CAWDB utilizes the Cost Reimbursement Method, which allows for payment of all incurred costs that are allowable within cost standards and the approved contract budget. The CAWDB may request contractors to submit a voucher delineating expenditures by budget line item either within the body of the voucher, in an invoice attached to the voucher, or in another mutually agreed upon format. When single items are purchased that cost more than $500, a copy of thevendor invoice must be submitted to verify the purchase. The voucher method will be used unless otherwise specified within the contract. WIOA funds cannot be used to pre-pay expenses except for those deemed as allowable by regulation.

Program reports shall also be submitted with the voucher unless another schedule is specified within the contract.

**Payment Review and Approval**

All vouchers and program reports shall be submitted to the following address and are due at regular intervals as specified within the contract.

Cattaraugus-Allegany Workforce Investment Board, Inc.

 One Blue Bird Square

 Lower Level

 Olean, NY 14760

 CAWDB staff shall review all vouchers submitted, prior to payment to ensure that reimbursement requests are consistent with the contract budget. Once the voucher is approved, the CAWDB will remit payment to the Contractor according to the terms outlined in the contract.

**Hold-Back**

Contractors may be subject to hold-backs of payments due, under the following circumstances:

* If program reports are not submitted with the Contractor’s voucher, or as otherwise specified, the Contractor will be subject to a 10% hold-back of the payment due. The 10% hold-back will not be remitted to the Contractor until program reports are received.
* If the Contractor does not adhere to one or more terms of the contract, full payment may be withheld until the Contractor submits documentation showing requirements have been met.
* If the Contractor fails to submit proper billing documentation (i.e., missing voucher or supporting documentation), or any fiscal reporting required, full payment may be withheld until necessary documents are received.

In any case of intent to withhold funds, the CAWDB shall give the Contractor a 15-day written notice that will provide information on actions that will resolve the situation.

**PAYROLL PROCESSING**

**Purpose:** To clearly establish rules pertaining to payroll administration

**Policy:** The CAWDB has chosen GFC to process payroll. Pay Periods are every two weeks. All pay checks for two-week pay periods will be distributed within five working days after the last working day of the pay period. Paychecks are directly deposited into individual employee checking or savings accounts.

Check stubs will be available the same date that payroll is paid. Employee’s checks will not be given to anyone except the employee, unless a written consent has been sent to the Executive Director in advance of the payroll. Note: (The Executive Director cannot accept verbal permission to distribute an employee’s paycheck to another party).

Any additions or changes in payroll must be done on the “Employee Data Form”, signed by the employee and submitted to the Executive Director for signature and filing in the personnel file. The employee must sign for all changes. This form is used for all individualized changes to an employee’s status including salary or wage, job title, working status, address, name or fringe benefits.

No advances on salaries or loans to employees will be made. Discrepancies will be resolved using the regular employee grievance procedure as described in the CAWDB’s personnel policies and procedures.

A new employee will not be put on payroll without the Employee Data Form signed by the Executive Director and a W-4 Form and an I-9 Form.

**Procedure:** All employees of the CAWDB are required to submit a signed individual time sheet showing hours worked, sick time, vacation time and holiday time taken. All time sheets are to be sent to the Executive Director for approval and signature and then submitted to the Administrative Assistant, by Monday at 10 A.M. following the end of the pay period.

The Administrative Assistant shall prepare the appropriate documentation required by GFC detailing hours to be paid, etc., and then fax the form to GFC. Once the payroll packet has been delivered to the CAWDB, the Administrative Assistant shall review the reports to ensure that employees have been paid correctly and all appropriate deductions have been made.

Payroll deductions will be made for F.I.C.A., Federal and State Income Taxes, applicable health benefits and any other amounts required by State or Federal law. These accumulated deductions will be submitted to the proper entity on or before their due date.

**Index of Attachments**

1. CAWDB Conflict of Interest Policies & Procedures and Code of Conduct
2. Budget Modification/Reconciliation Form
3. CAWDB Administrative, Programmatic and Fiscal Monitoring Policy
4. Contractor Voucher Status
5. Cash Request Forms
* Cash Request
* Cattaraugus County Voucher
* CAWDB Invoice
1. Bank Reconciliation Month End Closing Checklist
2. Time Distribution Report
3. Cost Allocation Worksheets
4. Mileage and Travel Expense Form
5. NYSDOL Technical Advisory 11-2.4 Updated Financial Reporting and Cash Draw-Down Policy and Procedures for Workforce Innovation and Opportunity Act, Workforce Investment Act, Trade Adjustment Act and Other Federal Funding