FINANCIAL MANAGEMENT POLICIES

Effective July 2025

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INTERNAL CONTROLS

Workforce Solutions has internal controls in place to safeguard cash, property, and other assets to ensure that they are used solely for authorized purposes. Through the separation of duties, Workforce Solutions is able to provide safeguards for federal funds. These internal controls ensure:

- ✓ Transactions are properly recorded and accounted for in order to:
  - Prepare reliable financial statements and federal reports;
  - Maintain accountability over assets; and
  - Demonstrate compliance with all applicable laws, regulations, and compliance requirements.

- ✓ Transactions are executed in compliance with:
  - Laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a federal program; and
  - Any other laws and regulations that are identified in the compliance supplements.

- ✓ Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

Effective control and accountability must be maintained for all grant and sub-grant cash, real and personal property, and other assets. Subrecipients must submit a copy of their Separation of Duties worksheet to Workforce Solutions during the monitoring process for review to ensure that the proper internal controls are in place at the subrecipient level. See Attachment A for the details of Workforce Solutions' Separation of Duties.

All invoices processed for payment must include sufficient documentation prior to requesting funds. Internally, all invoices are processed with the appropriate documentation attached. Subrecipients are expected to do the same. Time sheets allocate hours worked to the appropriate funding stream where the benefit is received. A Time and Effort Report is attached to each time sheet, which details the work completed for each appropriate funding stream. The employee, supervisor, and Executive Director all must sign off on each time sheet for processing. The Chair of the Board must sign and approve the Executive Director's time sheet, expense sheet, and Visa credit card payment voucher.

BUDGETING

Workforce Solutions prepares and maintains a budget on an annual basis for all of the expenditures related to the operation of the organization. These budgets are reviewed and approved by the Local Workforce Development Board and the Chief Elected Official Board prior to the start of each new program year. If any modifications to the budget are necessary throughout the program year, they will be completed on a quarterly basis and submitted to the Workforce Development Board and CEO Board for additional approval.

Subrecipients are also responsible for preparing and submitting annual budgets to Workforce Solutions at the start of the new program year for each of the programs that it operates. Budget modifications may also be submitted on a quarterly basis if necessary throughout the program year. All budgets and modifications will be reviewed and approved by the Finance Director and Executive Director. Once approved internally, the Workforce Solutions budget will be combined with subrecipient budgets for all WIOA funds and submitted to the Workforce Development Board and CEO Board for final approval.

CASH MANAGEMENT

A. Cash Drawdowns

Cash drawdowns will be completed on a monthly basis for reimbursement of actual expenses incurred. This is to ensure that there is no excess cash on hand at both the grantee and subrecipient levels. Subrecipient cash requests must be submitted to Workforce Solutions by the 10th day of the month following the month in which the expenses were incurred. All grant program funds, including subrecipient funds, drawn from the Commonwealth of PA must match the program funding stream of the expenditures incurred to be reimbursed. Appropriate supporting documentation that shows proof of these expenditures must also be provided to Workforce Solutions in addition to the request for funds. If incomplete forms or documents are received, this will cause a delay in processing the drawdown request.

All requests for funds will be electronically deposited into the Workforce Solutions checking account via the Commonwealth of PA Treasury Department. Workforce Solutions maintains one non-interest bearing checking account which is reconciled on a monthly basis. If necessary, funds from deposits may be transferred to fund specific savings accounts to ensure accurate tracking.

For reimbursements to subrecipients, Workforce Solutions will utilize the electronic payments method to transfer funds. Each subrecipient must submit a completed ACH Authorization form in advance of any payments being made. See Attachment B for a copy of this form. Once payment has been initiated, an email notification will be sent to the recipient with the payment details, including the date, amount, and specific request being paid.

B. Cash Disbursements

All cash disbursements for expenses incurred are made by check or ACH payment based on invoices received. All invoices are forwarded to the Finance Director and Executive Administrative Assistant for review and coding, followed by payment approval from the Executive Director.

Disbursement checks are prepared on a weekly basis. In keeping with sound financial management and the safeguarding of assets, two signatures are required on each check. The positions authorized to sign checks on behalf of Workforce Solutions are the Executive Director, Board Chair, and Secretary. The payee of a check must not be the co-signatory agent on the same check.

A signature facsimile, such as a signature stamp or electronic signature, may also be used with one original signature on each check. The use of a signature facsimile requires prior written approval from the signatory and must be used in conjunction with proper internal controls to secure against any unauthorized use. A check register will be emailed to the signatory for review, and the Approval of Expenditures Form (Attachment C) will be completed and submitted to Workforce Solutions prior to stamping the checks. The signature stamps will be maintained in a locked filing cabinet accessible to the Finance Director only.

ALLOWABLE COSTS

All expenses are reviewed by the Finance Director and Executive Director to ensure that they are allowable costs under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – 2 CFR Part 200.

Costs shall be limited to those that are:

- Necessary and reasonable for, and directly related to, the proper and efficient operation of the grant;
- Comparable to the charges for similar goods and services in the area;
- Adequately documented;
- Accorded consistent treatment; and
- Distributed based on function or activity of the benefiting grants.

See Attachment D – the Allowable Expenses Overview for additional details regarding allowable expenses and purchases.

COST REIMBURSEMENT

Workforce Solutions funds all of its activities on a cost reimbursement basis. The financial records to support these reimbursements include all source documentation necessary to permit the tracing of funds to a level of expenditure adequate to ensure that the funds have not been spent unlawfully. Examples of source documents include travel expense vouchers, employee time sheets and activity reports, invoices, check registers, and payroll reports. Sub recipient files include approved invoices, financial statements, contracts, purchase requisitions, copies of checks issued, and any other documentation necessary to support the disbursement of funds for reimbursement.

COST ALLOCATION PLAN

Costs incurred specifically for a final cost objective, attributable to a particular program, grant or activity, will be treated as direct program costs. Program costs that benefit more than one cost objective and are not attributable to a particular program will be combined into one program pool and allocated out based on program hours worked for the previous closed period.

Administrative costs that are necessary to support the overall operation of the organization that benefit more than one cost objective will be combined into one administrative cost pool. The basis of allocation for the administrative cost pool is total program expenditures for the previous closed period.

The PA CareerLink® centers are one-stop career centers with multiple partners responsible for sharing the associated costs. The cost allocation methodology used to distribute PA CareerLink® expenses among partners is based on the methods used in the PA CareerLink® Operating Budgets and Infrastructure Funding Agreement: (1) Full Time Equivalents (FTEs) and (2) Percentage of Direct Square Feet.

See the complete Workforce Solutions Cost Allocation Plan in Attachment E for more information.

PROGRAM INCOME

If program income is earned by Workforce Solutions or its subrecipients, it will be used for purposes that are authorized under appropriate laws and regulations. Program income will be retained only for the use of carrying out the specific program and must be used to offset eligible expenses by the end of the program year in which the earnings are attributable. Subrecipients must submit a report of all program income earned and used as part of their monthly reporting package to Workforce Solutions each program year.

TRAVEL REIMBURSEMENT

Normal routine travel as part of the position is expected. Any travel out of the normal day-to-day function of the position, including travel out of the region, must be approved in advance. All reimbursed travel must be done in accordance with and provided for the official duties of the position. Travel and other associated costs must be reasonable, necessary for the purpose of the contract, and included in the annual budget in order to be eligible for reimbursement.

A. Payment of Expenses

Employees must submit travel expense vouchers for reimbursement of all expenses. All appropriate supporting documentation, including receipts, must be submitted with expense vouchers in order to be reimbursed. Travel expense vouchers must be submitted within the same payroll cycle as when the expense occurred or the payroll cycle immediately following, if the request for reimbursement cannot be completed due to time restrictions. However, any delays in the submission of travel expense vouchers will also delay the reimbursement process. Once expenditures have been approved by the Executive Director or other supervisor, reimbursement payments will be made via check with the next weekly check run.

PURCHASES

All Workforce Solutions' employees have the authority to initiate purchases, however, each purchase must be approved in advance by the Finance Director, Executive Director or Board Chair, if not in the board-approved budget.

Purchases can also be made by PA CareerLink® staff as long as the purchases are allowable expenses, are in line with the approved budgets, and there is sufficient funding available for these items. Appropriate documentation including quotes and purchase orders should be sent to the Finance Director and Executive Director prior to purchase for review and tracking purposes.

See Attachment D – the Allowable Expenses Overview for additional information regarding purchasing procedures.

RECEIPT OF GOODS

Once an order has been completed and the goods received, notification should be sent to the Finance Director, including any packing slips or purchase receipt forms to verify against the invoice for accuracy. If no discrepancies exist, the invoice will be processed for payment with the next check run.

INVENTORY AND EQUIPMENT

To ensure accountability over its assets, Workforce Solutions maintains a detailed inventory listing of all property and equipment, including the description of the item, date purchased, cost, serial number, etc. A physical inventory of all property is performed on an annual basis and reconciled with subsidiary records, with any material changes in the status of property or equipment reported to the Finance Director in order to maintain up-to-date and accurate inventory records. For the purchase of new property or equipment, state approval must be obtained for equipment purchases over $5,000.

PROPERTY MANAGEMENT

In order to ensure the most efficient use of federal funds and existing resources, Workforce Solutions maintains the following goals for effective property management:

- To utilize personal or real property transferred from other programs under all former Federal Job Training Programs;
- To account for and control all property on an up-to-date inventory basis for all levels of program activities;
- To eliminate unnecessary purchases of property through the transfer of available excess property; and
- To control the rental and leasing of property.

Subrecipients are responsible for establishing and maintaining an adequate Property Management System. The system is to be documented and made available to Workforce Solutions during the monitoring process. The procedures are to establish policies regarding acquiring, controlling, and utilizing property. As a part of the Property Management System, each subrecipient is required to:

- Establish an inventory system to account for all property acquired with WIOA funds or acquired from other sources and used in the WIOA program. Proper identification of WIOA property must also be a part of the system;
- Perform a physical inventory of all property purchased through WIOA funds, or through a predecessor Federal program, on an annual basis. The results of this physical inventory must then be reconciled with records maintained by Workforce Solutions;
- Verify, prior to any acquisition, that needed property is not available through any other source – i.e., from any other source within the Local Workforce Development Area.
- Establish bidding procedures which assure open and free competition and meeting the requirements outlined in the Federal Regulations in any procurement using WIOA funds;
- Obtain written prior approval from Workforce Solutions for the purchase of any property meeting the requirements;
- Include a justification and all identifying information when submitting acquisition requests to Workforce Solutions;

- Notify Workforce Solutions of excess property so that items no longer needed in one area may be made available for use by other Local Workforce Development areas; and
- Establish a control system that will safeguard all WIOA property against loss, damage, or theft.

ANNUAL FINANCIAL REPORTING

Workforce Solutions submits accurate and timely Financial Status Reports (FSRs), makes corrections and adjustments where necessary, and ensures reporting mechanisms are uniform with subrecipients. In addition, Workforce Solutions ensures that expenditures are allocated against the appropriate cost categories, within cost limitations as specified in state and federal statutes and regulations, and in accordance with the state and local plan.

Monthly financial reports are produced that provide a comparison of actual to budgeted expenditures by each grant and in total across all funding sources. These reports also show the line item budget variances. Monthly expenditures are allocated to grants on a first-in, first-out basis.

In addition, Workforce Solutions submits annual WIOA budgets to the Bureau of Workforce Development Administration at the start of each new program year. These budgets are reviewed and approved by both the Workforce Development Board and the Chief Elected Official Board prior to submission. Any changes to the original budget submitted to BWDA must be reviewed and approved by both boards prior to submission.

FISCAL MONITORING

Workforce Solutions is responsible for planning and ensuring that monitoring and oversight of financial activities are conducted in accordance with federal, state, and local statutory/regulatory requirements. Subrecipient fiscal monitoring will be conducted at least once every program year and more frequently as defined by the risk assessment. Activities to be monitored may include: cash management practices, program income and reporting, cost allocation and allowability, payroll administration, procurement, property management, record retention, audit requirements, performance measures, insurance, separation of duties, and internal controls.

See the Workforce Solutions Local Oversight Policy and Procedures for more information regarding monitoring practices.

AUDIT

A. Audit Requirements

Each non-federal entity that expends a total of $1,000,000 or more in Federal awards in any fiscal year must have an audit performed for such fiscal years in compliance with the Single Audit requirements; 2 CFR 200; and applicable Federal and State audit regulations.

Workforce Solutions competitively procures for an annual audit service every three years.

All subrecipients are required to have a Single Audit or program specific annual independent financial and compliance audit conducted and prepared in accordance with generally accepted audit standards. Audit reports must be submitted to Workforce Solutions within 30 days after their completion but no more than 180 days after the Contractor's fiscal year end for the audit period in review.

B. Audit Resolution

Workforce Solutions is responsible for the timely and appropriate resolution of any audit findings and recommendations. Workforce Solutions will ensure that appropriate corrective action, including settlement and payment of any unacceptable costs, is taken within six months after receipt of an acceptable audit report for a subrecipient in instances of noncompliance with Federal or state laws and regulations.

If findings exist, the subrecipient must provide written evidence that corrective actions have been implemented with sixty (60) calendar days of the audit's completion. Workforce Solutions will then forward a written determination to the subrecipient stating whether or not corrective actions are adequate and whether questioned costs will be allowed, subject to State and Federal review. If any costs are disallowed, a debt is established and debt collection procedures are implemented.

Workforce Solutions will maintain an audit resolution file documenting the reported questioned costs and corrective actions taken for all findings.

DEBT COLLECTION

The auditing system within the administrative office detects most erroneous billings prior to the time funds are disbursed to subrecipients. If a discrepancy is found after disbursement has been made, it is deducted from the next monthly reimbursement. If a contract has already expired when the discrepancy is discovered or if a debt is established after an audit, a certified letter is sent to the subrecipient requesting reimbursement within 30 days. If the funds have not been repaid at the end of the 30-day period, another certified letter is sent advising the subrecipient that the Workforce Solutions attorney will begin debt collection procedures at the end of the next 30-day period. If the funds are not received by the end of the second 30-day period, the Workforce Solutions attorney is notified and legal proceedings are initiated.

Workforce Solutions
for North Central PA
425 Old Kersey Road ▪ Kersey PA 15846 ▪ 814-245-1835

Attachment A – Separation of Duties

Please enter the names and position titles of staff that have responsibilities within the listed processes. Place a **P** for Primary or **S** for Secondary below the name of the staff member that is responsible for each function and add clarifying comments to better explain the process.

Staff Members' Names and Position Titles	Executive Director – Pam Streich	Finance Director – Vanessa Hasselman	Executive Admin Assistant - Amber Biondi	Local Board Chair – Corine Christoff	Local Board Vice Chair – Jeff Miller	Comments
Mail:						
Who receives and opens the mail?	P	S	S			
Computer Access Controls Relating to the Accounting and Payroll Systems:						
Who has authority to change passwords?	S	P				
Who sets the parameters for computer access?	S	P				
Who has access to the accounting and payroll systems?	S	P	S			
Budget:						
Who approves the WIOA budget(s)?	S			P	S	
Who completes a WIOA budget to actual comparison? **Please note how often in comments**	S	P				Quarterly
Who prepares the WIOA budget revision?	S	P				
Who approves that WIOA budget revision?	S			P	S	
Who approves the Operating Budgets (OB)?	S			P	S	
Who completes a budget to actual comparison? (OB) **Please note how often in comments**	S	P				Quarterly
Who prepares the operating budget revision? (OB)	S	P				
Who approves the operating budget revision? (OB)	S			P	S	
Purchases and Expenses:						
Who, within the organization, can initiate purchases?	P	P	P			With approval by ED or Chair
Who, within the organization, can approve purchases?	P			P	S	Depends on who initiates
If a person is able to initiate and approve purchases, then who approves his/her purchases?				P	S	
If a person is able to initiate purchases and process invoices for payment, who approves his/her requests?	P			P	S	
Who processes invoices or request for payment?		S	P			
Who prepares the accounts payable checks?		S	P			
Who compares the invoice with the check for accuracy?	S	P	S			
Who signs the checks/authorizes EFTs?	P			P		Kelly Davis, Secretary is also a signatory

Staff Members' Names and Position Titles	Executive Director – Pam Streich	Finance Director – Vanessa Hasselman	Executive Admin Assistant - Amber Biondi	Local Board Chair – Corine Christoff	Local Board Vice Chair – Jeff Miller	Comments
If someone does not sign the checks, who is the custodian of the check plate or stamp?		P				
If the signature is electronic, who has access?						N/A
Who distributes the checks to the vendors?	S	S	P			
Who prepares the payroll checks (If a third-party vendor, which LWDB staff reviews the payroll)?	S	P	S			Direct Deposit
Who processes payroll, i.e., adding, ordering payment?	S	P	S			
Who distributes payroll checks, if applicable?	S	P	S			
Who is authorized to purchase using a corporate card (List all authorized users in the comments section)?	P	P	P			With approval by ED or Chair
General Ledger:						
Who updates the General Ledger with Payroll?	S	P	S			
Who updates the General Ledger with Accounts Payable?	S	S	P			
Who updates the General Ledger with Revenue?	S	P	S			
Supplies:						
Who verifies purchase orders to receiving orders?	S	S	P			
Who maintains inventory?	S	S	P			
Who completes a reconciliation of the inventory?	S	S	P			
Financial Management System:						
Who has access to the FMS system?	S	P	S			
Who determines the amount of funds to be requested?	S	P	S			
Who approves the request for funds?	P			S	S	
Who submits the request for funds on the FMS system?	S	P	S			
Who prepares the FSR?	S	P	S			
Who approves the FSR?	P			S	S	
Who enters the FSRs into the FMS system?	S	P	S			
Cost Allocation and Reimbursable System:						
Who has access to the CARS system?	S	P	S			
Who determines the amount of funds to be requested?	S	P	S			
Who approves the request for funds?	P			S	S	
Who submits the request for funds on the CARS system?	S	P	S			
Who prepares the CARS OB?	S	P	S			
Miscellaneous Duties:						
List names of bank accounts in comments and identify the person responsible for reconciling the bank account.						
1. General Account	S	P	S			Checking
2. Payroll Account						N/A
3. Other	S	P	S			2 Savings Accts
Who approves the bank reconciliation?						
1. General Account	P			P	S	
2. Payroll Account						N/A

Staff Members' Names and Position Titles	Executive Director – Pam Streich	Finance Director – Vanessa Hasselman	Executive Admin. Assistant – Amber Biondi	Local Board Chair – Corine Christoff	Local Board Vice Chair – Jeff Miller	Comments
3. Other	P			P	S	
Who is the custodian of the petty cash?						N/A – No petty cash
Who approves the petty cash account transactions?						N/A
Who requests replenishment of the petty cash fund?						N/A
Is funding received via EFT or check? If by check, then who receives those checks?	P	S	S			Most funding is received via EFT.
Who deposits the checks?	S	S	P			

Auxiliary aids and services are available upon request to individuals with disabilities.
Equal Opportunity Employer/Program
Funding provided by:

https://www.workforcesolutionspa.com/categories/resources/pages/stevens-amendment

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Attachment B - ACH Authorization Form

Name: _____

Address: _____

_____

Phone: _____

Email: _____

Name of Financial Institution: _____

Account Number: _____

Routing Number: _____

Account Type: ☐ Checking ☐ Savings

I hereby authorize Workforce Solutions for North Central Pennsylvania to credit the account listed above for all monthly cash reimbursement requests. This authorization will remain in effect until I modify or cancel it in writing.

Signature: _____

Date: _____

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Attachment C - Approval of Expenditures Form

Date: Submitted by:

Total Amount:

Expenditure Account: Northwest Business Checking

To be paid by:

- √ Check
- ☐ ACH Payment
- ☐ Credit Card

Comments:

_____
_____
_____
_____

Approved by: _____ Date: _____

(Please Sign Name)

_____

(Please Print Name)

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Attachment D - Allowable Expenses Overview

Purpose - To provide guidance on allowable vs. unallowable expenses utilizing WIOA and other federal grant funds for the entire workforce system including the PA CareerLink® centers. This document highlights several areas but is not all inclusive.

Background: The federal government endeavors to be specific and purposeful when it spends taxpayer dollars. Grantees are expected to follow a series of rules and guidelines issued by the federal government in spending grant monies. The Federal Awarding Agency's regulatory implementation of Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards guides all federally funded programs. The **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** at 2 CFR 200 can be found at the following link: https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1

Workforce Solutions must also follow the PA Department of Labor and Industry's Financial Management Guide found here: https://www.dli.pa.gov/Businesses/Workforce-Development/Documents/Directives/Financial-Management-Guide-2021.pdf.

Allowable Expenses

The Operator, Site Administrators, or other PA CareerLink® representatives have the authority to make purchases for their sites as long as the following conditions are met:

1. Expenses are allowable under the Uniform Guidance, Financial Management Guide, and other applicable guidance.
2. Sufficient funds are available in the Operating budgets to cover these purchases.

To determine if an expense is allowable prior to making a purchase, please refer to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 or the Pennsylvania Department of Labor and Industry's Financial Management Guide.

In order for a cost to be allowable, it must meet the following cost principles:

- Necessary – Is the item or service needed to meet the grant's purpose or move it towards its intended goals? How will the cost benefit the programs and people being served?
- Reasonable – This cost principle refers to the actual cost of the purchase. Is the price fair and appropriate? Is this the minimum amount you need to spend to meet the need? Are you paying more than a prudent person would for the same purchase given the circumstances at the time of the purchase decision?
- Allocable – Can you identify and assign the expense to the grants or program where the benefits will be received? Cost must be distributed based on the benefiting grants/programs using reasonable methods.
- Adequately Documented – Sufficient documentation must be provided to support the costs incurred. What is the expense? Why is it needed? What is the benefit? How does it help to meet the program's goals?
- Consistently Treated – All costs incurred for the same purpose or in like circumstances must be treated uniformly – direct or indirect costs, program or administrative costs, etc.

Advertising Expenses

The Uniform Guidance is specific on the conditions in which advertising and public relations costs are considered to be allowable.

The only allowable advertising and public relations costs are those that are solely for:

1. The recruitment of personnel;
2. The procurement of goods and services;
3. The disposal of scrap or surplus materials;
4. The costs of communication with the public or press pertaining to specific activities, accomplishments, or matters of public concern such as notices of contract/grant awards, financial matters, services available, etc.; or
5. Other specific purposes necessary to meet the requirement of the award.

The following are unallowable advertising and public relations costs:

- Costs of displays, demonstrations, and exhibits;
- Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events for entertainment purposes – Off-site facility rentals for job fairs are allowable;
- Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;
- Costs of promotional items and memorabilia, including models, gifts, and souvenirs; and
- Costs designed solely to promote the recipient or subrecipient.

Proof of all outreach materials in any paid or unpaid media outlet, whether it be newspaper, radio, social media, etc. must be submitted to Workforce Solutions for approval prior to any publication or commitment to purchase being made. Outreach materials should be submitted by the Site Administrators to the Operator and Workforce Solutions, who will then submit the document to the Press Office for final approval. Adequate time should be provided to ensure that approval is received prior to purchase or publication.

To ensure proper use of the CareerLink® brand/common identifier on outreach materials, see the policy at the following link:

https://www.pa.gov/content/dam/copapwp-pagov/en/dli/documents/businesses/workforce-development/documents/current-directives/wsp-121-06-common-identifier-policy-2.pdf

The Equal Opportunity statement and Steven's Amendment statement must also be included on all outreach materials, press releases, request for proposals, etc. to ensure transparency and accountability in federal spending. The statement to include is as follows:

Funding provided by:

https://www.workforcesolutionspa.com/categories/resources/pages/stevens-amendment

The process for approval of all outreach materials is as follows (as described by Labor and Industry Oversight and Monitoring):

1. Site Administrators create documents ensuring alignment with the Common Identifier policy referenced above.
2. Site Administrators submit documents to the Operator and Workforce Solutions for review.
3. Workforce Solutions submits the documents to the Press Office for final approval. The Press Office approval may take up to three weeks.
4. Workforce Solutions will notify the Operator of any approvals or other communication received from the Press Office.

If further clarification is necessary for any other particular expense after reviewing and referencing the documents and information provided, please contact Workforce Solutions for additional guidance and approval prior to making the purchase.

If sufficient funds are not available to cover the necessary expenses identified, Workforce Solutions should be notified to determine if alternative funds are available for such purchases. When possible, Workforce Solutions will provide funds to cover the cost of large special purchases as grant funding opportunities become available.

See the addendum for more information and other examples of allowable vs. non-allowable expenses.

Purchase Procedure

Once an expense is determined to be allowable and a purchase has been made, the following information regarding the purchase should be provided to the Finance Director at Workforce Solutions within two business days of the purchase date:

1. Vendor Name
2. Date Ordered
3. Total amount of order
4. Description of the purchase
5. Office/Location or person the purchase is being made for

Any quotes or purchase orders received from vendors should also be sent to accompany this information.

Once the items ordered have been received or the services completed, notification should also be sent to Workforce Solutions upon receipt and include any packing slips or documentation provided to ensure timely and accurate receipt of invoices and the proper charging of costs.

Questions: Questions regarding this policy should be directed to Workforce Solutions at 814-245-1835 or Pam Streich at pstreich@ncwdb.org or Vanessa Hasselman at vhasselman@ncwdb.org.

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Equal Opportunity Employer/Program
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Addendum - Examples of Allowable vs. Non Allowable Expenses

1. Flyers for CareerLink® centers with name, address, and phone number - in publications, on restaurant placemats, billboards, road signs, radio, etc. – Allowable as they are used to draw customers to the centers for services

2. Customized professional posters with factual statistics about services specific to each CareerLink® center – Allowable

3. Vinyl Banners, Table Covers – Allowable because these items improve the appearance of the PA CareerLink® facility and system to draw customers there.

4. Inflatable Dancer/Blimp with PA CareerLink® logo – Unallowable as it does not fit the necessary or reasonable definition.

5. Fees to boost social media posts – Unallowable as this would not be a necessary cost when the use of other media outlets can be used to reach additional online customers

6. Rental of an outside venue to host a job fair – Allowable

7. Fee to attend an off-site job fair – Allowable as long as the fee is for a table, internet access, or other necessary resource and not being utilized to pay for entertainment, including food, alcohol, and prizes, etc. A copy of an agreement or invoice must be provided that states the specific use of the fee being charged.

8. Food – Unallowable except in rare instances where a specific training program is being offered and the "dissemination of technical information" is truly occurring.

9. Entertainment – All entertainment costs are unallowable.

10. Free items to give away for incentives, prizes, and gift baskets at events – Unallowable as these items are for personal use and unnecessary. Customers are getting free services and free training, so other free items are not necessary.

11. Pens for customers – allowable as long as they are reasonable and necessary for specific purposes at the PA CareerLink® centers or job fairs, etc. such as filling out employment applications

12. Magnets for staff vehicles when out visiting employers – Unallowable as these would not be necessary in order to provide services to employers

13. Uber drivers to transport customers to events/job interviews or a CareerLink® car with a work experience placement to transport customers – It is unallowable for staff to

transport customers and is a major liability issue. However, transportation costs are allowable as a Supportive Service.

14. Shirts, hats, or other prizes to provide to customers for reaching goals – Unallowable as these items are for personal use and are not necessary. However, an award to an employer or participant for a specific achievement could be considered allowable.

15. Shirts for staff to wear when representing the PA CareerLink® - could be considered allowable if it is a required uniform. A uniform policy would be needed to support this expense. However, it may be difficult to prove that shirts are necessary to identify individuals as staff in a CareerLink® center or at a job fair behind a table with a PA CareerLink® tablecloth.

This is not meant to be a comprehensive list of all CareerLink® expenses but should serve as a reference guide for some of the most commonly occurring questions regarding allowable expenses as they relate to the use of Federal funds.

It is important to note that although certain expenses are unallowable with the use of Federal funds, alternative solutions are available, such as charging employers a fee for job fairs. The funds received could then be utilized to pay for expenses, such as food, door prizes, etc. Please contact Workforce Solutions for more information.

Workforce Solutions
for North Central PA
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Attachment E – Cost Allocation Plan

Workforce Solutions for North Central PA serves as the Local Workforce Development Board (LWDB) responsible for the oversight, planning, and evaluation of the workforce system in the North Central Workforce Development Area which includes the counties of Cameron, Clearfield, Elk, Jefferson, McKean, and Potter. Workforce Solutions serves as the fiscal agent for Workforce Innovation and Opportunity Act (WIOA) and Employment, Advancement, and Retention Network (EARN) funding as well as various federal and non-federal discretionary funding streams. Workforce Solutions is responsible for directing federal, state, and local funding to workforce development programs in the region, which includes the management, oversight, and proper governance of funds.

PURPOSE

The purpose of this Cost Allocation Plan (CAP) is to summarize in writing the methods and procedures that are used by Workforce Solutions to allocate costs to various programs, grants, contracts, and agreements.

- This CAP describes the methodology used in charging direct costs.
- This CAP describes the methodology for distributing pooled administrative and program costs.
- The CAP is a financial blueprint for auditors to use in determining compliance with laws, regulations, and award requirements.
- The CAP also serves as the primary tool for determining how the financial operations related to cost allocation are to be conducted.

GENERAL APPROACH

Expenses are classified into one of the following categories:

- Direct Costs – costs that can be identified specifically with a final cost objective
- Direct Shared Costs – costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective

The general approach in allocating these types of costs to particular grants and contracts is as follows:

A. Direct Costs - All identifiable direct costs are charged directly to the benefitting programs, grants, or activities. Some examples of direct costs include direct labor and fringe benefit costs, travel expenses, supplies, and contracted services, etc.
Workforce Solutions staff complete actual time sheets and time and effort reports each pay documenting the work completed in that time period. PTO, Holiday Time, and Bereavement are all direct charged according to the proportionate share of time worked.

While the salaries of administrative staff are normally treated as shared costs, direct charging of these costs is appropriate if the individuals involved can be specifically identified and their services are integral to the project or activity.

B. Direct Shared Costs - Allowable direct costs that benefit more than one program are pooled and distributed each month using the cost pools described below:

1. Administrative Costs - Examples include administrative staff salaries and fringe, insurance, travel, and operating expenses - i.e. email, IT, telephone, internet, rent, legal fees, supplies, advertising, memberships, and accounting software.
2. Program Costs – Examples include travel and general operating expenses – i.e. email, IT, telephone, internet, rent, supplies, and memberships.
3. Administrative and program costs are accumulated in a given month under separate common identifiers. Those costs are then charged out according to the following:
   a. Pooled administrative costs are distributed based on percentages of program expenses from the previous closed month. Therefore, September pooled administrative costs will be allocated out according to the July program expenditures. This allows for a method of allocation for the month without a need to reconcile each month based on estimates.
   b. Pooled program costs are distributed based on percentages of program hours worked from the previous closed month. Therefore, September pooled program costs will be allocated out according to July hours worked.

Workforce Solutions utilizes AccuFund, a complete financial and grants management system that incorporates fund accounting, allowing for the accumulation and allocation of costs by grant/funding source and expense category. Workforce Solutions maintains adequate internal controls to ensure that costs are allowable and charged appropriately to a Federal award or other grant.

COST ALLOCATION METHODOLOGY

The following summarizes the procedures that are used by Workforce Solutions:

A. PA CareerLink® Expenses

All PA CareerLink® expenses are distributed based on the methodology used in the operating budgets. The PA CareerLink® centers are one-stop career centers with multiple partners sharing the associated

costs. The costs incurred are charged to the specific CareerLink® center and billed proportionally to the partners based on the following methods:

1. Full Time Equivalents (FTEs) - Each partner is charged based on the amount of time they have a staff member located at the CareerLink. For example, a staff person physically present at a center for 5 days a week would be equal to 1 FTE. If there are 5 total FTEs, then each partner would be charged 20% of the costs.
2. Percentage of Direct Square Feet - The partner is charged only for the amount of square footage they occupy and does not pay for other line item costs.

Program Income may be generated by the CareerLink facilities. This income is distributed back to the FTE partners to offset costs. An example of program income would be a room rental.

B. Salaries and Wages

Employee wages are both direct and direct shared costs. If an employee can determine direct charges, they will do so. If not, the administrative cost allocation pool will be used to distribute the cost. Cost of paid absences (PTO, holidays, etc.) are considered part of the salary costs and allocated to programs in the same manner.

C. Fringe Benefits

Workforce Solutions contributes to the following fringe benefits for its employees: unemployment compensation, worker's compensation, FICA, health, vision, dental, life, short and long-term disability, and 401K retirement plan. The accounting system allocates these fringe benefits in the same manner as the salaries are charged to the respective grants or contracts. Therefore, no fringe benefit rate has been established.

D. Travel

Travel costs are charged as a direct expense to the program(s) that benefit from the travel when possible. If multiple programs benefit from the staff member's travel, the shared cost pool method is used.

E. Supplies and Materials

To the maximum extent possible, office supplies and materials are direct charged to the contract/grant which uses the supplies or materials. Otherwise, they are considered direct shared costs and allocated to the appropriate cost pool.

F. Operational Expenses

All facilities operational and maintenance expenses (rent, utilities, janitorial, maintenance, and insurance – as applicable) and general operating expenses (telephone, internet, supplies, postage, printing, computer and software maintenance, etc.) are either direct charged if appropriate or considered direct shared costs and allocated to the appropriate cost pool.

G. Outside Services

Workforce Solutions incurs outside services costs for its annual audit, legal fees, website development, etc. In general, outside services are charged directly to the benefiting program or activity when possible. For those costs associated with administration, they are charged to the administrative cost pool.

H. Services to Clients

Services provided to Workforce Solutions program participants are charged directly to that program through a monthly invoice submitted by our subcontractor(s). Workforce Solutions does not provide services to WIOA clients.

I. Unallowable Costs

Workforce Solutions has internal controls in place to ensure that unallowable costs are not charged to Federal awards.

Auxiliary aids and services are available upon request to individuals with disabilities.
Equal Opportunity Employer/Program
Funding provided by:

https://www.workforcesolutionspa.com/categories/resources/pages/stevens-amendment

Policy Expiration:
Ongoing

Inquiries:
Questions regarding this policy shall be directed to:
Vanessa Hasselman, Finance Director at vhasselman@ncwdb.org; or
Pam Streich, Executive Director at pstreich@ncwdb.org

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Policy History: This policy is reviewed annually by Workforce Solutions for North Central PA for necessary changes, edits, updates, and revisions.

Name:	Date:	Description of Change:	Effective Date:
Vanessa Hasselman	December 31, 2017	Policy Creation	December 31, 2017
Vanessa Hasselman	July 1, 2022	Added sections regarding budgeting, allowable costs, purchasing, and fiscal monitoring processes; Updated cost allocation plan and separation of duties to most recent versions	July 1, 2022
Vanessa Hasselman	July 1, 2023	No changes	July 1, 2023
Vanessa Hasselman	July 1, 2024	Updated separation of duties due to staffing changes and added updated cost allocation plan	July 1, 2024
Vanessa Hasselman	July 1, 2025	Removed references to Finance Committee – no longer active, updated audit requirements, updated references to new state policies/guidance	July 1, 2025

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