



TO: All Humboldt County Workforce Innovation and Opportunity Act (WIOA) Staff, Subrecipients and Service Providers

FROM: Humboldt County Workforce Development Board

EFFECTIVE: 6/18/2020

SUBJECT: Operating Expense Payments

REFERENCES: Workforce Investment Act, 183(a)(b), 184(a)(2)(3), 185(a)(1)(2)(3), 2 Code of Federal Regulations (CFR) Subparts E and F, and 20 CFR 683.300.

PURPOSE

The purpose of this policy is to guide the Humboldt County Workforce Development Board (HC-WDB) and its subrecipients in receiving reimbursement for operating expenses.

POLICY AND PROCEDURE

Each subrecipient of WIOA funding shall invoice the HC-WDB on or before the 15th of each month for all agreement costs incurred during the previous month. Subrecipients shall attach all backup documentation in support of each invoice. This requirement is a condition for reimbursement.

If a subrecipient has had no findings of inaccuracy for twelve consecutive months, the subrecipient may provide backup documentation two times annually, in October and April. If during this monitoring a finding of inaccuracy is made, the subrecipient shall recommence submitting monthly backup documentation with the invoice submission each month. The Executive Director reserves the right to request additional backup documentation from the subrecipient at any given time.

If the 15th of a month falls on a weekend or holiday, the invoice is due on the previous workday. Invoices submitted after the 15th of the month are considered late, will not go through the normal payment processing cycle, and may incur delays. No invoices will be paid after the annual fiscal year closeout. If the subrecipient cannot meet the required invoicing time frame, it must notify the HC-WDB Executive Director immediately.

The appropriate invoice form with guidelines will be provided upon execution of each

Humboldt County Workforce Development Board

agreement. When submitting an invoice, the subrecipient must include the following:

- Subrecipient's name and address.
- WIOA program name
- Time period for which the actual expenditures are being reported.
- Expenditure monthly total. The total may not exceed the total annual contract budget amounts.

Expenditures to include in each report:

- **Participant wages:** If applicable, insert participant wages for specified time period.
- **Participant benefits:** If applicable, insert participant benefit amounts for specified time period, as identified in the agreement budget.
- **Staff costs:** Insert the allocated salaries for each staff position identified in the agreement budget.
- **Staff benefits:** Insert the actual benefits amount allocated as identified in the agreement budget.
- **Reimbursable expenditures:** Insert expenditures, as well as accrued expenditures to the end of the reporting period. Participant timesheets and receipts for supportive services must include participant and staff signatures.

The completed and signed invoice is submitted for payment to:

Humboldt County Workforce Development Board

520 E Street

Eureka, CA 95501

If the agreement budget includes a match requirement, the subrecipient shall report and submit the detailed Cash/In-kind Match reports must be submitted on an annual basis. Cash Match claims are the actual costs incurred by the subrecipient for the benefit of the program but are paid from non-federal funding sources. In-kind Match claims are those services provided to the program that do not represent actual cost incurred by the subrecipient but that benefit the program. Examples include: donated staff time, office space, etc. This is submitted to the address above.

The HC-WDB reserves the right to monitor and visit, announced or unannounced, the subrecipient's program, including visits to all locations, offices and training sites at any time during normal business hours. The U.S. Department of Labor, the Office of the Inspector General, the State of California Employment Development Department and the County of Humboldt maintain the right to access and monitor/evaluate all conditions and activities in the agreement and to investigate/audit all records, books, papers or documents related to the conduct of programs funded by the county.

Acceptable back up documentation may include: canceled checks; bank statements, general ledgers or the equivalent. Invoice payments that cover more than one month must be requested for reimbursement at a monthly allocation rate. Journal vouchers transferring expenditures from one funding source to another must be supported by the originating source documents. In addition, all documentation must identify allocation across funding sources. The following list is a description of acceptable substantiating forms of invoice documentation:

- Staff salaries - payroll registers for the current billing period and source documentation supporting the payroll register (Time cards, time study, etc.) with signatures. Payroll expenses (Payroll benefits, manual payroll checks, etc.) not reported on the payroll register, paid invoice(s), payment request forms or journal vouchers must be submitted.
- Staff mileage – completed mileage logs that specify name of staff person traveling, miles traveled, date of travel, destination and purpose of trip.
- Conference training and other travel costs – an subrecipient must follow specific requirements per the Travel policy.
- Payroll services – paid invoice(s) or payroll service documentation.
- Insurance and bonding – paid invoice(s) or deposits made to bonding accounts.
- Printing services and photocopy costs
- Office furniture and equipment purchases – if a purchase was for a fixed asset (equipment with a useful life of more than one year and an acquisition cost of \$5,000 or more per unit, including all costs related to the property's intended use), then packing slip(s) with signature of person receiving merchandise is required. Other information may be requested from the subrecipient to meet federal, state, and county-imposed property management requirements. All office furniture and equipment purchases must be on the Equipment List as identified in the subrecipient's contract. Additionally, the State of California Employment Development Department and the HCWDB must provide written approval for purchases over \$5,000 prior to purchase.
- Equipment Lease/Rental – copy of the paid invoice or lease agreement outlining the monthly costs and payment schedule is required. Unless the equipment lease/rental is done on a less than arm's length transaction, it is considered a capital lease. A capital lease can only be applied to the subrecipient's contract on the use allowance method (annual rate not exceeding 6.66% of acquisition cost), depreciation method, or if equipment has been fully depreciated, a reasonable use allowance, if applicable may be negotiated.
- Equipment Repairs and maintenance – paid invoice(s) identifying specific equipment purchased, the maintenance agreement and length of coverage, or repairs performed.
- Facility Rent/Lease – paid invoice or a copy of the lease/rental agreement outlining payment schedule. Subrecipient must maintain a current copy of the executed rental/lease agreement on file. If the equipment lease/rental is done on a less than arm's length transaction, then it is considered a capital lease. A capital lease can be applied to the subrecipient's contract on the use allowance method (annual rate not exceeding 2% of acquisition cost), depreciation method, or if the asset(s) has been fully depreciated, then a reasonable use allowance, if applicable, may be negotiated.
- Utilities (not included and identified in the lease or rental agreement) – paid invoice(s) identifying physical location of service.
- Telephone – paid telephone and cell phone invoice(s), excluding the detail sheets of the phone statement
- Postage – stamps, metered postage or an outside delivery service.
- Advertising and outreach – paid for newspaper ad(s), television or radio contract, containing all details such as dates, times, and script(s) attached. All advertising must be pre-approved through the HC-WDB Director.
- Subscriptions/Professional dues: Paid invoice(s) indicating delivery dates or period
- Audit fees – Paid invoice(s). Only allowable if the subrecipient is required to have an audit performed according to the OMB Circular A-133 or its successor)
- Consumable supplies – paid itemized invoice(s) or supplies purchased through a General Supply Department, which show the item and actual purchase price of the item(s). A signature is required.

- Janitorial service – Paid invoice(s) showing date(s) of service.
- Tenant improvements – paid invoices must be part of the pre-award negotiations and substantiated with a description. The State of California Employment Development Department and the HC-WDB must provide pre-approval.
- Training materials – paid invoice(s) for materials used for training participants.
- Youth incentives – a receipt with youth signature and information including the skills attainment information and date(s) the participant attended are required.
- Indirect staff costs – Indirect cost rates can be charged up to the maximum rate approved but must be pre-approved and submitted to HC-WDB Executive Director. If the approved rate changes at any point during the contracted period, the subrecipient must notify the HC-WDB Executive Director and submit an updated copy of the approval letter from the authorizing authority.
- Payment processing – it is herein stated that schedule processing time to issue payments is 45 calendar dates from the date of receipt of a complete and accurate invoice form as reviewed and accepted by the HC-WDB, with such acceptance documented with a date stamp to reflect the day of receipt.
- Cost allocation budget form – subrecipient must provide a cost allocation budget form prior to agreement execution. It must be maintained continuously throughout the program year.

FORM(S): None

INQUIRIES:

Any questions regarding this policy may be directed to the Workforce Development Board Director at 707-445-7745.

Humboldt County Workforce Development Board Approval Required? Yes No