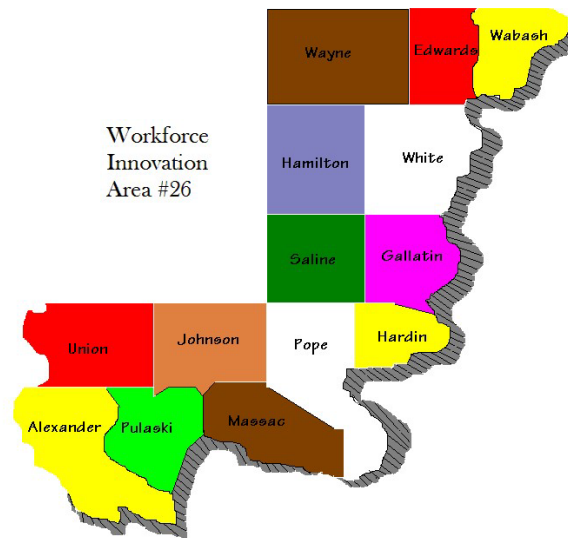


Southern 14 Workforce Investment Board, Inc.



FISCAL PROCEDURES MANUAL

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List of Acronyms

DCEO	ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY
GAAP	GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
GAGAS	GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS
GL	GENERAL LEDGER
GRS	GRANTEE REPORTING SYSTEM
GSA	US GENERAL SERVICES ADMINISTRATION
LWIA 26	Local Workforce Investment Area 26
MIP	SOFTWARE PROGRAM USED BY SOUTHERN 14 FOR FISCAL OPERATIONS
OMB	OFFICE OF MANAGEMENT AND BUDGET
So.14	SOUTHERN 14 WORKFORCE INVESTMENT BOARD, INC.
So.14 B	SOUTHERN 14 WORKFORCE INVESTMENT BOARD
TAA	TRADE ADJUSTMENT ASSISTANCE
WIA	WORKFORCE INVESTMENT ACT
WIOA	WORKFORCE INNOVATION & OPPORTUNITIES ACT

INTRODUCTION

The following document has been developed to provide a general outline of the flow of funds as well as, the standards and procedures to be followed in the establishment of a system to maintain proper fund security and cash expenditures that will be acceptable for the performance of audits for all grant funds received by the Southern 14 Workforce Investment Board, Inc.(So.14) as the WIOA #26 grant recipient.

FLOW OF FUNDS

So.14 is the grant recipient and staff to the board for Local Area Workforce Investment Area (LWIA 26). The grant recipient provides management and oversight for all funding received by LWIA 26. The client services for LWIA 26 are contracted to the three Service Providers listed below:

Wabash Area Development, Inc. which operates the WIOA program in the counties of Edwards, Gallatin, Hamilton, Saline, Wabash, Wayne and White.

Shawnee Development Council, Inc. which operates the WIOA program in the counties of Alexander, Hardin, Johnson, Massac, Pope, Union and Pulaski.

As Grant Recipient, So.14 is the conduit between the State and the Service Providers for all grant funds and the financial reporting required for these funds.

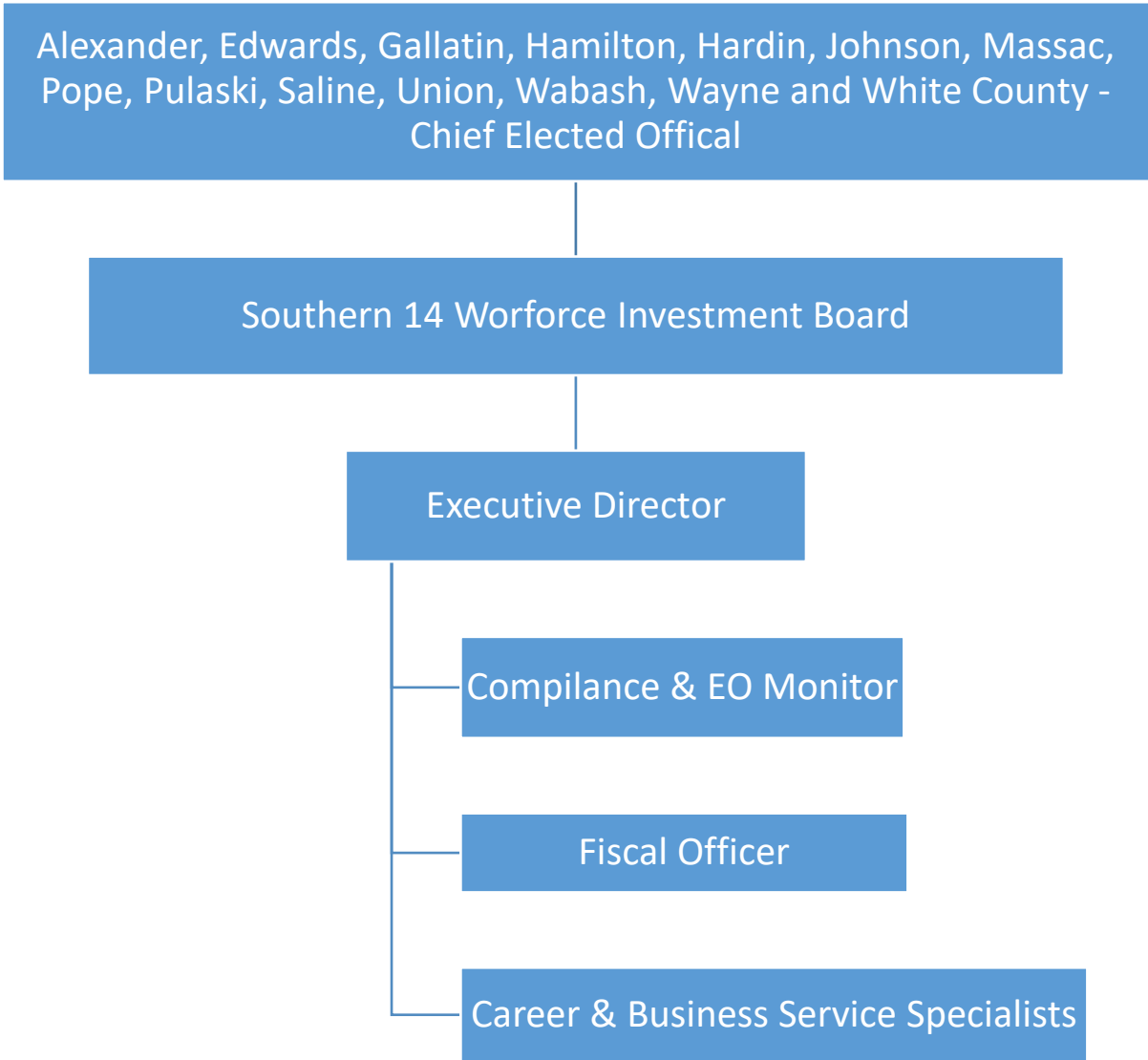
Funds are requested by the service providers by grant and/or funding stream (cost category) on an as needed basis. Upon receipt of requests the fiscal officer combines the totals and orders funds on the Illinois Department of Commerce and Economic Opportunity (DCEO) via their Grantee Reporting System (GRS). When funds are received checks are issued to the service providers with a receipt form which is signed and returned.

The service providers are required to submit monthly financial reports for each grant contract to the So.14 Fiscal Officer. Information contained in these reports is entered on the So.14 accounting system and the compiled total is reported monthly to DCEO on the GRS system.

The Grant Recipient for WIOA #26 requires, through the contract process, that the Service Providers for WIOA #26, and any other programs, have in place fiscal procedures that meet the fiscal requirements for audit purposes and any other requirements of a specific grant program. All of these requirements are also included in any sub-contracts the service providers may have.

The So.14 Fiscal Officer will conduct fiscal monitoring at the service provider level on a program year basis. In turn the service providers will conduct fiscal monitoring for any sub-contracts to insure that fiscal requirements are being met.

ORGANIZATIONAL CHART



ACCOUNTING

General Accounting Practices

Lines of authority as outlined on the Southern 14 Workforce Investment Board, Incorporated's organization chart will be followed by all employees.

Current job descriptions, including duties and responsibilities, will be maintained for all employees in their personal file.

Financial duties and responsibilities will be separated to ensure that no one employee has sole control over cash receipts, disbursements, payroll, etc.

All documentation will be retained for a period of three years from the date of the closeout or from the end of a dispute, whichever is longer in accordance with the regulations.

Record keeping is conducted through MIP Fund Accounting software. The agency is under a maintenance contract that provides updates as well as phone and internet support to ensure functionality and reduce down time. The Fiscal Officer is responsible to set up the Chart of Accounts, maintain the fiscal software and ensure that it is operating and reporting correctly.

At the end of every week, the Fiscal Officer posts Disbursements, Journal Vouchers, etc., and balances the combined balance sheet with manual payment entries. At times, posting is done more often at the discretion of the Executive Director, such as when payroll falls early in the week or after cost allocation so that reports and/or taxes may be updated sooner. Back-ups to the server are performed on a regular basis, usually 1–3 times per week, at the discretion of the Fiscal Officer, depending on the amount of new data entries. At the end of each week after posting and balancing, a backup is also made and stored off-site to ensure recovery in the event of a disaster. In the event an adjustment to the general ledger is needed, the Fiscal Officer will be responsible to ensure they are handled correctly.

All checks and/or electronic payments via the internet to vendors must have a payment authorization form prepared by the Fiscal Officer prior to payment, explaining the cost, how it should be classified, and supporting documentation to validate the expenditure. The payment authorization form must be signed by the Executive Director or the So.14 Board Chairperson.

As checks are issued, the paid voucher and supporting document are filed by vendor. All costs are posted to a general ledger that includes fund and function.

Upon receipt of the monthly bank statements, bank reconciliations are performed to balance each of the monthly statement to their cash journal.

Monthly financial reports are prepared by the Fiscal Officer for the Southern 14 Workforce Investment Board, (So.14 B) for their acceptance.

Federal payroll taxes are paid according to IRS guidelines, which is currently on a monthly basis. The agency files Form 941, State of Illinois IL-501 and Illinois Department of Employment Security Form UI-3/40 on a quarterly basis.

To ensure that all funds are protected from mishandling, financial duties are specifically separated to promote a system of checks and balances.

At all times, So. 14 LWIB strives to be in Fiscal compliance with Office of Management and Budget (OMB) Circulars: A-133/Federal Audit Requirements; A-122/Federal Cost Principles and A-110/Uniform Administrative Requirements as well as DCEO Policy Letters, Technical Assistance Letters, Federal Travel Regulations and other regulations as required by specific grant contract.

So.14 maintains two bank accounts, an account for all grant funds and an accrued leave account.

Cash Receipts and Deposits

All checks and/or cash received by So.14 are registered in the “incoming mail log” the Monitor who is then responsible for delivering the check and/or cash to the Fiscal Officer, who in turn records the receipt of the check to the cash receipt journal. The Monitor is then responsible for stamping/endorsing “For Deposit Only” as well as the appropriate bank account number and preparing a deposit slip with duplicate copies for appropriate files and future reference. The agency strives to deposit any checks or cash received within three days of receipt.

The Fiscal Officer is responsible for requesting cash for workforce grants from the DCEO via their GRS. Funds are as outlined previously in the funds flow section. As funds are received they are electronically deposited in the agency’s bank account where they are maintained in an interest-bearing account. The agency and sub-recipients strive to limit the cash request to the mandated 3-day cash supply. To insure that Southern 14 remains in compliance of the cash on hand mandate the Fiscal Officer will maintain an ongoing cash on hand worksheet with the daily bank balance.

Mail (pick-up and delivery) is a responsibility that is designated to employees within the agency who are not working directly with grant funds or directly assigned to the fiscal department. This separation of duties is to ensure that staff handling or managing grant funds or grant receipts do not have access to any income until it is properly logged in to the checks and receipt ledger.

Cash Disbursements

Disbursements are made on a weekly basis and are paid from authorized vendor invoices, employee and board member travel & per diem expense sheets and voucher requests for service provider contracts utilizing the MIP Accounts Payable Module.

The Fiscal Officer prepares checks which are reviewed by the Executive Director.

Backup for each disbursement must be approved by an officer of the board, marked paid with date, check number and amount.

Prepared checks are signed by an officer of the board and the Executive Director. Persons authorized to sign checks are the Board Chairperson, Vice Chairperson, Secretary/Treasurer and the Executive Director.

The staff person responsible for handling the outgoing mail; usually the Fiscal Officer, will be responsible for logging and distributing the signed checks by mail or hand delivery.

Any disbursement for an item, including equipment, costing less than \$1000.00 can be made without prior approval from the board.

The Fiscal Officer is responsible for all blank checks.

No checks are issued for cash and there is no petty cash fund.

No blank checks are signed.

Payroll is prepared every two weeks from employee time sheets which also provide information for the preparation of the expended vacation, sick and personal days.

Payroll taxes are prepared by the Fiscal Officer, approved by the Executive Director, and one of the following; the Board Chairperson, Vice Chairperson, Secretary/Treasurer. Paid electronically monthly via the EFTS system.

Voided checks will have "VOID" boldly written in ink across the face of the check and filed with check stub and recorded in the MIP Accounting System.

Classification of Costs

Classification of costs will be done by the Fiscal Officer in accordance with generally accepted accounting principles (GAAP) in conjunction with WIOA regulations and OMB circulars.

Allowability of individual costs will be determined on an individual basis by the Fiscal Officer or the Executive Director in accordance with WIOA regulations and OMB Circulars: A-133/Federal Audit Requirements; A-122/Federal Cost Principles and A-110/Uniform Administrative Requirements as well as DCEO Policy Letters, Technical Assistance Letters, Federal Travel Regulations and other regulations as required by specific grant contract.

Bank Reconciliation

Bank Statements are received monthly for each bank account and given unopened to the Executive Director for review and reconciliation to the cash receipts journal and mail receipts log before being reconciled in the MIP system by the Monitor who is not responsible for preparing or has authority to sign checks. The completed reconciliations are reviewed by the Southern 14 Board Chair.

Bank statements are reconciled to the checkbook and the computer accounting program.

Checks outstanding for longer than 90 days will be researched and contact made with the payee/ and or bank to determine how to proceed.

Undelivered Checks will be handled in the following way:

Upon notification that a check has not been received (lost, stolen, or destroyed) and at least ten days have passed from the date of mailing, an immediate “stop payment” order is initiated with the bank. The bank is provided information on the check number, date of issue, amount, and payee as well as information regarding a re-issue if applicable. When a replacement check is necessary, a manual check is usually produced and corresponding records are corrected to document the stop payment and reissue.

Cost Allocation

Cost Allocation Plan is a guide to the methodology used to allocate costs that is modified monthly. Board Office expenses are allocated to those grants with administrative funds based on the percentage of programmatic funds expended by the three service providers. Additional grants will alter the allocated costs by funding stream.

General Ledger

Cash receipts, cash disbursements, general journal, accounts receivable are posted to the appropriate fund in the general ledger.

A file is maintained for each grant containing the contract between So.14 and the funding entity (DCEO), with the approved budget, and any budget modifications, as well as contracts between each service provider and So.14 with the approved budgets, and any budget modifications related to these contracts.

After approval by the Southern 14 board and the funding entity the fiscal officer will be responsible for posting the approved budget and any budget modifications into the MIP accounting system.

A monthly expense summary is received for each grant from LWIA #26 Service Providers.

Fiscal Officer posts the monthly expenses and the disbursements from each Service Provider to the accounts receivable account by fund and Service Provider in the MIP accounting system.

Trial balances are prepared in MIP and accounts are balanced by both fund and Service Provider. Accounting system is reconciled with the accounting records maintained by the individual service providers before being entered into DCEO's GRS.

Additionally, a statement of revenue and expenditures is prepared each month in MIP and compared to GRS and service provider reports ensuring that grant spending levels are within budget and that budget modifications have been properly reflected.

The cost for the board office is allocated on the basis of Service Provider expenditures (see cost allocation plan) and is then posted to the appropriate fund account.

Advances for travel expenses are allowable and approved by the Executive Director. Advances will be reconciled after travel occurs and any payments made in excess of the authorized expenses must be refunded.

- 1) All advances will be charged to a General Ledger (GL) Account: "Travel/Other Advances" account --(with Name of the person to whom the advance was made);
- 2) Upon completion of the travel, and after a reconciliation of the actual expenses to the advance, the above noted account must be reversed and actual amount of travel will be expensed; the refunds or additional amounts owed must also be posted to the GL at this time.

Program Income

Program income for So.14 generally consists of interest earned on our two checking accounts.

The amount of income earned is posted as revenue to So.14 in the MIP account system and a journal entry is completed to off set expenses charged to the current years formula grant funds.

The income earned and the expenses are reported monthly in the GRS.

Funds Requests and Cash Management

Funds are requested by the service providers by grant and/or funding stream (cost category) on an as needed basis, via a signed voucher.

The Fiscal Officer, with approval by the Executive Director, accesses the funds needed for the board office expense and strives to limit the cash request to the mandated 3-day cash supply.

Upon receipt of requests the Fiscal Officer combines the total funds needed and orders funds on the DCEO via their GRS in accordance with DCEO schedule – currently each Wenesday and Friday.

Requests are recorded, by the Fiscal Officer, in the MIP Accounts Recievable System at the time of request and when receipt has been confirmed with the bank deposits entered into the MIP system and disbursed to the Service Providers per the voucher request.

Funds are mailed to the appriate service provider with a receipt form acknowledging receipt of funds, which is signed by service provider and returned to board office.

Chart of Accounts

The Fiscal Officer maintains the chart of accounts in the MIP system assuring that all cost can be accurately captured by line item, cost categort, and grant.

Current chart of account is included as an attachment to this document.

Grants and Contracts Close-Outs

Grant/contract close outs will be performed by the Fiscal Officer in accordance with grant requirements and any unexpended cash will be refunded immediately.

At the end of the grant period a grant close out package, including final trial balances as well as financial reports are completed and submitted to the Board Office by each Service Provider. The Fiscal Officer compiles the information from the provider reports to complete the Grant Closeout Package. All Closeout Packages are reviewed and approved by Executive Director prior to submission.

PURCHASING

Consumable Supplies

All ordinary purchases are made through local suppliers.

The Monitor keeps a list of items needed and either orders or purchase these items on an as needed basis.

Receipt of these items is verified and the invoice signed by someone other than the person ordering supplies.

Any out of the ordinary items are only purchased with permission of the Executive Director.

Statements are forwarded to the Fiscal Officer for review and payment. Invoices are attached to the statement. Multiple invoices with the statements are individually marked paid.

No purchase order system is used.

Any purchase of equipment over \$1000.00 must be approved by the Board.

Southern 14 does not does not record consumable supplies on the inventory list.

Equipment

Equipment is defined as non-expendable personal property with purchase price of \$1000.00 or more and/ or a useful life of more than one year.

All equipment purchases are approved by the Executive Director; those purchases in excess of \$1,000.00 require So 14 Board approval.

All equipment purchased (with a cost in excess of \$5,000) utilizing WIOA grant funding requires prior permission obtained from the Department of Commerce and Economic Opportunity Except in the case when more than one piece of equipment is needed to make an entire system functional such as a computer or telephone system. For example, when purchasing a computer, the monitor, keyboard, printer, and hard drive are all to be considered as a component of the total system, with the total system defined as a unit of property. Likewise with a telephone system, the switchboard along with all phones required to make up the system shall be considered the unit of property. After initial acquisition of such a system, any component part upon replacement shall be considered as a single unit of property for that type of transaction.)

Equipment purchased is tagged and added to the inventory list is maintained by the the Fiscal Officer/ Inventory Control Officer. The list includes item, serial #, purchase date, purchase price and tag number.

Requests to purchase equipment (with a purchase price in excess of \$1,000) by the Service Providers utilizing WIOA grant funding should be submitted in advance to the Fiscal Officer to ensure that all procurement procedures are followed and approved by the Executive Director.

An inventory list of non-expendable personal property with a purchase price of \$1000.00 or more, purchased by the Service Providers is also on file. Monitoring of this equipment is conducted on site periodically by the designated Inventory Control Officer.

Requests for disposal of equipment will follow the same guidelines as requests for purchase listed above.

In order to prevent loss, damage, or theft of property the Inventory Control Officer will conduct a physical inventory of all equipment at least once a year, making sure that all equipment is properly identified.

Any discrepancies between the physical inventory and the inventory records must be explained and notations made in the inventory record and brought to the attention of the Executive Director.

In the event the agency must liquidate equipment/property, the inventory list will be utilized as a basis for disposal.

Equipment/property that was acquired by WIOA funds will be returned to the corresponding State/Federal granting agency.

In order to keep property in good working condition maintenance agreements are maintained for copy machines and an anti-virus program is updated yearly to safeguard computer hardware.

Procurement

The Uniform Administrative Requirements (2 CFR200.317) requires states to follow the same policies and procedures it uses for non-federal funds. Recipients of federal and state funds will comply with §200.322 Procurement of received materials and ensure that every purchase order or other contract includes any clauses required by section §200.326 Contract provisions. Recipients must also follow the requirements regarding the competitive award of One-Stop Operators, Youth Service Providers and Adult and Dislocated Service Providers in the Workforce Investment and Opportunity Act at WIOA Sec. 121(d) and sec. 123.

The Southern 14 Workforce Investment Board, Inc. (LWIA #26) in order to comply with Illinois State Regulations (30 ILCS 500) and Code of Federal Regulations (7 CFR part 3016 or 7 CFR part 3019) regarding procurement have developed written standards by which they will conduct all procurements. This system takes into consideration past performance such as program design, adequacy of fiscal controls, and ability to meet contract objectives.

Procurement system includes the following requirements:

I. The Southern 14 Workforce Investment Board, Inc.

These standards do not relieve the LWIA #26 of any contractual responsibilities under its contracts. The LWIA #26 is responsible, in accordance with good administrative practice and sound business judgement for the settlement of all contractual and administrative issues arising out of procurements entered in support of a grant. These include but are not limited to source evaluation, protests, disputes, and claims. Violations of law are to be referred to the local, State, or Federal authority having proper jurisdiction.

II. Code of Conduct

The Southern 14 Workforce Investment Board, Inc. and its Service Providers maintain a written code or standards of conduct which governs the performance of their officers, employees or agents engaged in the award and administration of contracts supported by Federal funds (see So. 14 LWIB Local Policy No. 1).

III. Selection Procedures

A. All procurement transactions, regardless of whether by sealed bids or by negotiation and without regard to dollar value, shall be conducted in a manner that provides maximum open and free competition consistent with this Section. Procurement procedures shall not restrict or eliminate competition. Examples of what shall be considered to be restrictive of competition include, but are not limited to:

- 1) placing unreasonable or different requirements on various firms in order for them to qualify for the same procurement;
- 2) noncompetitive practices between firms;
- 3) organizational conflicts of interest; and
- 4) Unnecessary experience and bonding requirements (i.e., request for qualifications or experience that are not related to the services to be procured).
- 5) Noncompetitive awards to consultants that are on retainer contracts.
- 6) Specifying only a "brand name" product instead of allowing an "equal" product to be offered and describing the performance of other relevant requirements of the procurement.
- 7) These procedures will be subject to monitoring at least once during the program year. Violations will be identified and examined in accordance with the monitoring review procedure established for the Local Workforce Area.

B. The Southern 14 Workforce Investment Board, Inc. and it's Administrative Entities shall adhere to the following procedural requirements:

- 1) Solicitations of offers, whether by competitive sealed bids or competitive proposals shall incorporate a clear and accurate description of the technical requirements for the service to be procured. Such description shall not, in competitive procurements, contain features which restrict competition. The description shall include a statement of the qualitative nature of the service to be procured and set forth these standards to which the service shall conform in order to meet the program purpose. Solicitation of offers shall clearly set forth all requirements which service providers/contractors must fulfill and all other factors to be used in evaluating proposals pursuant to Code of Federal Regulations (7 CFR part 3016 or 7 CFR part 3019).
- 2) Awards shall be made only to service providers/contractors that demonstrate the ability to meet objectives of the proposed procurement. Examples of how the ability to meet the procurement of objects can be demonstrated include, but are not limited

to: financial resources, technical qualifications, experience, organization and facilities adequate to carry out the project; resources to meet the completion schedule contained in the contract; a satisfactory performance record for completion of contracts; and accounting and auditing procedures adequate to control property, funds and assets, pursuant to Code of Federal Regulations (7 CFR part 3016 or 7 CFR part 3019).

- 3) Appropriate education agencies in the service delivery area shall be provided the opportunity to provide educational services, unless the administrative entity demonstrates that alternative agencies or organizations would be more effective or would have greater potential to enhance the participants' continued occupational and career growth.
 - 4) A review of service providers with contracts at \$10,000 and above will occur in May of each program year. The Service Provider will submit evaluations to the LWIA #26 board office by the 15th day of the month. These evaluations will be utilized by the Southern 14 Workforce Investment Board's board in their contract renewal decisions at the regular June board meeting.
- C. The Southern 14 Workforce Investment Board, Inc. and its Service Providers shall conduct a review of proposed procurements to avoid unnecessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis shall be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. To foster greater economy and efficiency, the LWIA #26 if prudent will enter into inter-grantee agreements for procurement or use of common goods and services. The LWIA #26 when possible shall use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
- D. The Southern 14 Workforce Investment Board, Inc. and its Service Providers shall take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps include:
- 1) placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - 2) assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - 3) dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small business enterprises;
 - 4) establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
 - 5) using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

- 6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in section III of this manual.

E. Contract Cost and Price

- 1) The LWIA #26 will perform cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his/her estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.
- 2) The LWIA #26 shall negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- 3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with the cost principles as shown in Code of Federal Regulations (7 CFR part 3016 or 7 CFR part 3019).
- 4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.
- 5) Additionally, in the case of fixed unit price/performance based contracting; all contracts must conform to the provisions of Code of Federal Regulations (7 CFR part 3016 or 7 CFR part 3019).

F. The Southern 14 Workforce Investment Board, Inc. and its Service Provider contracts will contain the following provisions:

- 1) Administrative, contractual, or legal remedies in instances where contractor violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.

- 2) Termination for cause and for convenience by the grantee or sub-grantee including the manner by which it will be effected and the basis for settlement.
- 3) Compliance with Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967 and as supplemented in Department of Labor regulations (41 CFR 60).
- 4) Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR 3).
- 5) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor regulations (29 CFR 5)
- 6) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR 5).
- 7) Notice of Departmental requirements and regulations pertaining to reporting, if any.
- 8) Notice of Departmental requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.
- 9) Departmental requirements and regulations pertaining to copyrights and rights in data as contained in the grant agreement.
- 10) Access by the Southern 14 Workforce Investment Board, Inc. and the contracting Administrative Entity, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
- 11) Retention of all required records for three years after grantees or sub-grantees make final payments and all other pending matters are closed.
- 12) Compliance with all applicable standards, orders, or requirements issued under Section 306 of the Clear Air Act (42 U.S.C. 1857(h)), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR 15).
- 13) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with Energy Policy and Conservation Act (Pub. L. 94-163, U.S.C. 6201)

- 14) Special conditions specific to individual contracts as deemed necessary for efficient program operations.
- G. The Southern 14 Workforce Investment Board, Inc. and its Service Providers shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.
 - H. The Southern 14 Workforce Investment Board, Inc. and its Service Providers shall make available, upon request of the Department, technical or any other specifications on proposed procurements where the Department believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review may take place prior to or after the specification is incorporated into a solicitation document. The LWIA #26 will on request make-available for Departmental pre-award review, procurement documents such as requests for proposals or invitations for bids, and cost estimates.

IV. Methods of Procurement

Procurement under grants shall be made by one of the following methods: Procurement by small purchase procedures, procurement by sealed bids, Procurement by competitive proposals and very small procurements.

- A. Small purchase procedures are those relatively simple (e.g., price or rate quotations documented to the file which describe what is being procured, date provided, provider, amount and delivery date) and informal procurement methods for securing services, supplies, or other property that do not cost more than \$ 25,000 in the aggregate with a single vendor during a fiscal year. If small purchase procurements are used, price or rate quotations will be obtained from an adequate number of qualified sources.
- B. Sealed bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible whose bid, conforming to all the material terms and conditions of the invitation for bids, is lowest in price. The sealed bid is the preferred method for procuring construction, if the conditions which follow apply. In order for sealed bids to be feasible, the following conditions should be present: a complete, adequate and realistic specification or purchase description is available; two or more responsible bidders are willing and able to compete effectively for the business; and the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price. If sealed bids are to be used, the following requirements apply:
 - 1) the invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers as evidenced by documentation of an attempt to identify and obtain three bids, providing them sufficient time (a minimum of ten working days) prior to the date set for opening the bids;

- 2) the invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
 - 3) all bids shall be publicly opened at the time and place prescribed in the invitation for bids;
 - 4) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine the low bid when prior experience indicates that such discounts are usually taken.
 - 5) Any or all bids may be rejected if there is sound, documented reason.
- C. Procurement by competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost reimbursement type contract is awarded. It is the following requirements apply;
- 1) Requests for proposals will be publicized and identify all evaluation factor and their relative importance. Any response to publicized requests for proposals shall be honored to maximum extent possible;
 - 2) Proposals will be solicited from an adequate number of qualified sources;
 - 3) The LWIA #26 have a method for conducting technical evaluations of the proposals received and for selecting awardees;
 - 4) Award will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - 5) The LWIA #26 may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of (A/E) professional services. It cannot be used to purchase other types of services though AE firms are a potential source to perform the proposed effort.
 - 6) All proposals submitted will be handled in a confidential manner, in accordance with the Uniform Guidance at 2 CFR 200.318 and 200.319, by the Board, as well as Board staff to ensure that no potential entity that may compete under the procurement has unfair access to any procurement developed or drafted specification, requirements, statement of works, requests for proposals or evaluated proposals.

- D. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or if after solicitation of a number of sources competition is determined inadequate.
- 1) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and one of the following circumstances applies: the item is available only from a single source; the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; the awarding agency Department authorizes noncompetitive proposals; or after solicitation of a number of sources, competition is determined inadequate.
 - 2) Cost analysis, i.e., verifying the proposed cost data, and the specific elements of costs and profit, is required.
- E. Very Small Procurements - Due to the rural nature of this Local Workforce Area, and to avoid unreasonable, unduly burdensome and inefficiency of procurement practices for purchases under \$ 1,000. The Southern 14 Workforce Investment Board, Inc. and its Service Providers will adhere to the following policy for very small procurements.
1. Purchase items which are offered to the General public at a given price.
 2. Make every effort to obtain the best possible price utilizing business and/or trade discounts when possible.
 3. Take into consideration product delivery, timeliness, quality and/or lack of other vendors/suppliers in the geographical area.

PROCUREMENT FOR YOUTH ACTIVITIES

Southern 14 Workforce Investment Board will solicit proposals from interested organizations to operate a comprehensive education and employment opportunities to eligible youth ages 16 through 24.

All entities responding to the local board for the Youth Program will explain in their proposal which of the required activities defined in WIOA Section 129(c) (1) (A-N) are to be directly delivered through their agency or organization.

The entity or entities responding to the Boards Request for Proposals will then publicly solicit a minimum of two times for activities providers for the activities not directly delivered by their agency or organization.

All activities not responded to, or for which the response was rejected by either the entity or Southern 14 Workforce Investment Board after the Request for Proposal process has

been completed, may be hired on an as-needed basis at the discretion of the successful respondent to the Boards Request for Proposal.

All providers of activities shall be held under the same laws, policies, and guidelines as Southern 14 Workforce Investment Board and their sub-contractors. **SELECTION OF YOUTH PROVIDERS.**—Consistent with section 123, the local board—

- (i) shall identify eligible providers of youth workforce investment activities in the local area by awarding grants or contracts on a competitive basis (except as provided in section 123(b)), based on the recommendations of the youth standing committee, if such a committee is established for the local area under subsection (b)(4); and
- (ii) may terminate for cause the eligibility of such providers.

PROCUREMENT FOR ADULT AND DISLOCATED WORKER ACTIVITIES

Southern 14 Workforce Investment Board will solicit proposals from interested organizations to operate a comprehensive year-round Adult and Dislocated Worker program under the Workforce Investment and Opportunity Act (WIOA).

The program will prepare and equip eligible Adults and Dislocated Workers with the necessary skills to meet the current and upcoming workforce needs of employers in our business communities. Communities to be served will be Alexander, Edwards, Gallatin, Hamilton, Hardin, Johnson, Massac, Pope, Pulaski, Saline, Union, Wabash, Wayne and White Counties in Southern Illinois.

All proposals must adhere to the required format and, in order to be competitive, must include all of the requested information, completed forms, and attachments. Applicants are required to demonstrate knowledge, experience, and capacity to provide services to Adult and Dislocated Workers through the proposal narrative. The applicant must clearly describe its capability to conduct and administer a federally funded project including the ability to collect and report financial and participant data as required. Applicants must also be aware of the state and federal Americans with Disabilities Act (ADA) regulations, laws and procedures for ensuring universal access. The proposal must specifically address the following elements: Outreach and Recruitment, Eligibility, Individual Employment Plan, Services, One-Stop Career Center (MOU), Timely Data Entry, Occupational Skills Training, On-The-Job Training (OJT), Enrollment and Expenditure Schedule.

The entity or entities responding to the Boards Request for Proposals will then publicly solicit a minimum of two times for activities providers for the activities not directly delivered by their agency or organization.

All activities not responded to, or for which the response was rejected by either the entity or Southern 14 Workforce Investment Board after the Request for Proposal process has been completed, may be hired on an as-needed basis at the discretion of the successful respondent to the Boards Request for Proposal.

All providers of activities shall be held under the same laws, policies, and guidelines as Southern 14 Workforce Investment Board and their sub-contractors.

PROCUREMENT FOR ONE STOP OPERATOR

The One Stop Operator will be procured thorough a competitive process every four years. The Board will issue a Request for Proposal that will include a funding level for performance of the stated One Stop Operator functions. The stated funding level will be based on historical costs to operate the center.

After the One Stop Operator procurement has been completed the Board will submit a One-Stop Operator Attestation form, a One-Stop Operator Agreement, a Multiple Function Agreement (if applicable) and a Sunshine Provision Survey to the Department of Commerce.

TRAVEL

Staff/Employee Travel

Per DCEO guidance Google or Bing map will be used to calculate miles. In the event that the destination is not available with Google or Bing maps an alternative internet site such as MapQuest or an actual odometer reading may be used. Traveler should submit mileage documentation for each trip with request for travel reimbursement.

Mileage to and from staff residence will not be paid by the agency unless an employee returned to their local office for a meeting after going home at the end of regular office hours.

Reimbursement amount for automobile travel will be based on the mileage rate established by the Federal government General Services Administration (GSA), as approved by the So.14 B.

Advances for travel expenses are allowable and approved by the Executive Director. Advances will be reconciled after travel occurs and any payments made in excess of the authorized expenses must be refunded.

Air travel or alternative travel method shall be allowed when an employee's time is an important factor or where the trip is so long that other methods would provide more expensive.

Lodging allowance is at room cost and a receipt must be turned in to receive reimbursement.

Receipts for parking, taxicabs, bus, train or air travel (if paid by the employee while conducting agency business) must be turned in to the Fiscal Officer for reimbursement.

Reimbursement for meals while conducting agency business out of the So.14 Area, or when travel dictates overnight lodging, will be paid out in accordance with the rate established by the Federal government General Services Administration (GSA).

The following will be used as a guide for reimbursement of meals:

Breakfast	When trip begins before 7 am and extends beyond 9 a.m.
Lunch	When trip begins before 11 am and extends beyond 1 p.m.
Dinner	When trip begins before 4 pm and extends beyond 6 p.m.

Incomplete mileage and expense statements will be returned to the employee for correction or completion before payment is made.

Executive Director will be responsible for reviewing the travel reimbursement and expense statements and for verifying support documents for parking, taxi, hotel, etc.

The Executive Director will approve or disapprove payment of the employee expense statements. Executive Director's travel expense statements will be approved by a WIB Board Officer.

Board Member Travel & Stipend

A meal stipend and a travel reimbursement will be paid the rate established by the Federal Government (General Services Administration). This stipend and reimbursement will be paid to each board member physically attending a Southern 14 monthly board or committee meeting.

This stipend and travel reimbursement is limited to board members who do not have access to other avenues of reimbursement.

Per DCEO guidance Google or Bing map will be used to calculate miles. In the event that the destination is not available with Google or Bing maps an alternative internet site such as MapQuest or an actual odometer reading may be used. Traveler should submit mileage documentation for each trip with request for travel reimbursement.

Foreign Travel

Pursuant to WIOA section 181(e), no funds received shall be used for foreign travel.

PAYROLL

Personnel Policies

See separate personnel policies manual.

Time Sheets

Time sheets are completed and signed by employees and due to the Executive Director.

All time sheets must be approved by the Executive Director before being processed for payment. The Executive Director's timesheet will be approved by a So.14 Board Officer.

Vacation, sick and holidays time used are noted on each individual time sheet by employee. The time sheets are then used to update each individual's accrued schedules and to maintain the accrued leave account balance.

The Executive Director has the authority within the administrative office to complete, sign and initial time sheets for employees who are not available to sign for themselves do to illness or emergency. However, upon returning to work the employee's original signature will be added to the time sheet.

Fiscal Officer completes the gross pay and deduction section of time sheet based on the salary schedule approved by the So.14 Board.

Checks are prepared by the Fiscal Officer and signed by an officer of the board and the Executive Director. Persons authorized to sign checks are the Board Chairperson, Vice Chairperson, Secretary/Treasurer and the Executive Director.

All salary changes must be approved by the So.14 Board.

Payroll Taxes and Tax Reports

Preparation of all payroll tax reports, submission and payments are the responsibility of the Fiscal Officer. So.14 is currently on a monthly tax deposit system for Federal as well as State tax withholding so taxes must be paid by then 15th day of the following month via the Electronic Federal or State Tax Payment System.

Federal Form 941 is completed quarterly by the Fiscal Officer and signed by the Executive Director or Southern 14 Board Chairman before mailing. State of Illinois IL-941 Quarterly Withholding Income Tax Return and Illinois Department of Employment Security Unemployment Insurance Tax Return are prepared quarterly by the Fiscal Officer and signed by the Executive Director or Southern 14 Board Chairman before mailing. Employee W-2 and 1099's are completed by the Fiscal Officer and distributed to the

employees by the end of January. Corresponding federal and state annual tax reports are completed by the Fiscal Officer and signed by the Executive Director or Southern 14 Board Chairman and submitted in accordance with rules and regulations of the various reports.

Payroll Other

Each full time employee shall receive \$4,500 annually as a retirement benefit.

Full time employees are offered a reimbursement of up to \$400 monthly, to cover the cost of health and major medical insurance, which may include dependent coverage.

For a complete listing of employee benefits see separate personnel policies manual.

Accrued Leave Account

At the end of each pay period, individual employee leave time is posted to an accrued leave record from completed time sheets.

The accrued leave bank account is reconciled by the Fiscal Officer to the accrued leave record every three months and the accrual bank account is adjusted to reflect actuals. Reconciliation is reviewed by the Executive Director or So.14 B. Chair.

The accrued leave bank account is reconciled to the bank statement and the accounting software monthly and any interest earned is posted to the accruedleave account balance in the accounting software.

VACATION, SICK & PERSONAL DAYS

Vacation Time & Personal Days

Vacation time is earned at the rate of 8.5 hours per month beginning the first full month of employment and continuing through the fifth year of employment.

Beginning the sixth year of employment vacation time is earned at the rate of 12.75 hours per month.

Vacation time is posted to individual's accrued schedule on the 1st business day of each month.

Staff may accrue a maximum of 382.50 hours (45days) of vacation time.

Four personal days (34 hours) are posted to individual's accrual schedule on the 1st business day of January.

Personal days must be used with in the current calendar year and may not be carried forward.

Advance permission must be obtained from the Executive Director for vacation and personal time.

Sick Time

Sick time is earned at the rate of 8.5 hours per month beginning the first full month of employment.

Sick time is posted to individual's accrued schedule on the 1st business day of each month.

Staff may accrue a maximum of 1350 hours (180.83 days) of sick time.

SEPARATION OF DUTIES

All checks and/or cash received by So 14 WIB, Inc. are registered in the “incoming mail log” the Monitor who is then responsible for delivering the check and/or cash to the Fiscal Officer, who in turn records the receipt of the check to the cash receipt journal. The Monitor is then responsible for stamping/endorsing “For Deposit Only” as well as the appropriate bank account number and preparing a deposit slip with duplicate copies for appropriate files and future reference.

Consumable supplies are ordered by Monitor, verified by another staff person and the invoice given to the Fiscal Officer for payment.

All invoices, automatic withdraw requests (payroll deposits, postage), statements and funds requested through GRS are approved by the Executive Director then processed by the Fiscal Officer.

The Fiscal Officer prepares the checks and marks invoices as paid.

All checks are signed by the Executive Director and officer of the board – no signature stamps are used by So. 14 LWIB.

The Fiscal Officer logs the outgoing checks to be mailed and takes mail to the post office.

All equipment with a purchase price of over \$1000.00 has to be approved by the full board.

Bank Statements are received monthly for each bank account and given unopened to the Executive Director for review and reconciliation to the cash receipts journal and mail receipts log before being reconciled in the MIP system by the Monitor, who is not responsible for preparing or has authority to sign checks. The completed reconciliations are reviewed by the Southern 14 Board Chair.

REPORTING

Granting Agency Reporting

Financial reports are received by the Fiscal Officer on a monthly basis from each contracted Service Providers.

These reports are combined, in the MIP system, with expenses incurred by the board office to report accruals and obligations on the GRS.

The monthly reports required by the granting agency DCEO

Expenditure Reporting (Screen #351). This screen is used to report costs (including accruals) by each authorized grant and cost category. An expenditure report generated on MIP accounting system showing actual expenditures during the report period and year-to-date expenditures is used to complete this reporting.

Program Income (Screen #371). This screen is used to report program income. So.14 generally only have earned interest to report as income.

Grantee Percentage Obligation Table (Screen #377). This screen is used to report obligations by grant and funding stream over and above amount already reported as accruals on the Expenditure Report (#351).

Trade Adjustment Assistance (TAA) Petition Reporting (Screen #391). TAA Program expenditures must be reported on this screen by petition number each month along with the number of participants receiving benefit for the reported cost.

Other Reporting

The Fiscal Officer will prepare a monthly financial report of expenses incurred by the board office, for the So.14 Board. This report is reviewed by the board members and accepted at the following quarterly board meeting.

Preparation of all payroll tax reports, submission and payments are the responsibility of the Fiscal Officer.

Independent Auditing Firm will be responsible for preparing an annual statement of financial position for. So.14 Board as well as the preparation of the organization's annual federal (form 990) and state (AG990-IL) information returns.

AUDITS & FISCAL MONITORING

Fiscal Monitoring

The Fiscal Officer will conduct an on site monitoring visit to each Service Provider on an annual basis.

Each program year the monitoring team from DCEO monitors the fiscal activity of the board office, as well as each service provider.

Any monitoring findings or management recommendations will be dealt with and resolved in a timely manner.

Independent Auditing

An independent auditing firm conducts a yearly audit in accordance with OMB A-133.

All audits are performed in accordance with the publication Standards for Audit of Governmental Organization, Programs, Activities and Functions issued by the Comptroller General of the United States, commonly referred to as "Generally Accepted Governmental Auditing Standards" (GAGAS). In addition, the "General Services Administration" (GSA) and the "Yellow Book" regarding the audits of federally assisted programs must also be adhered to.

Procurement of auditing services will be done in compliance of So.14 Board's procurement manual.

Any audit findings or management recommendations will be dealt with and resolved in a timely manner.

BONDING AND INSURANCE

All agency insurance policies will be maintained in the Fiscal Department.

Insurance policies will be carefully reviewed by the Executive Director and the Fiscal Officer on an “as needed basis”.

Staff is bonded and adequate coverage will be maintained for board members, staff, other property, grant funds, and liability. (Coverage may include but not limited to Workers Compensation Insurance, Errors and Omissions Insurance, Property Insurance, Health, Life/Disability Insurance, etc.)

As insurance coverage needs to be updated or increased/decreased, it will be the responsibility of the Executive Director to make certain that coverage is adequate to cover agency needs.

RECORDS RETENTION

Records will be kept in accordance with the regulations pertaining to each particular funding grant.

All records pertaining to program operations including grants, contracts, and financial, are maintained for a period of three years from the date of closeout, unless outstanding audit issues necessitate longer retention. So. 14 Board will adhere to the record retention standards and procedures as required by the various funding entities including all State, and Federal regulations.

Employment tax records are maintained for a minimum of five years.

Accessibility to records is provided to authorized State and Federal representatives.

Other agencies and individuals are required to submit written requests that specifically identify the purpose and nature of their inquiry as well as specific information required. These requests are handled on an individual basis in accordance with appropriate state and federal laws concerning confidentiality of participant records and public accessibility.

FISCAL PROCEDURE MANUAL

Fiscal procedure manual will be reviewed annually by the Fiscal Officer, Monitor and Executive Director.

Any changes to Financial Procedures Manual will be approved by the So.14 Board prior to implementation.

INCIDENT REPORTING

LWA #26 has adopted WIOA Policy Letter No. 06-PL-28 that establishes procedures for reporting incidents of known or suspected fraud, program abuse or criminal conduct in WIOA funded programs.

METHODS OF ADMINISTRATION / EQUAL OPPORTUNITY & NON-DISCRIMINATION

The Monitor is appointed by the board to serve as the Equal Opportunity Officer for LWIA #26.

The Equal Opportunity/Affirmative Action Policy Statement is contained the So.14 Board Personnel Policies.

The Method of Administration is updated as needed by the Equal Opportunity Officer and kept in the fiscal office.

REFERENCE SOURCES

Reference sources for fiscal operation of Southern 14 WIB, Inc. contracts:

OMB Final Uniform Guidance, 2 CFR

Federal Travel Regulations

DCEO Policy letters, Technical Assistance letters and other required regulations per grant contracts.

WIOA regulations at 20 CFR Parts 667.200 and 667.410.

Trade Act of 2002, Public Law 107-210.