

**REPUBLIC OF PALAU
WORKFORCE POLICY NO. 07-020-2000**

EFFECTIVE DATE: July 01, 2000

TO: Chairman and Members
State Workforce Investment Board

FROM: Ms. Josephine Ulengchong
Executive Director

SUBJECT: **FINANCIAL MANAGEMENT SYSTEMS AND
PACIFIC WORKFORCE INVESTMENT ACT
STANDARDIZED REPORT DATA (WIASRD)**

This policy adopts and follows **29 CFR 97.20(a)** under the section titled *Standards for Financial Management Systems* that specifies the requirements for administrative and financial management systems for States and **29 CFR 95.21 (b)** that establish a set of standards that must be included in the financial management systems of grantees and sub grantees.

The State Board and WIA Office shall follow the seven standards set forth under the Federal regulations including any and/or all applicable State laws and regulations.

(1) Financial Reporting

Accurate, current, and complete disclosure of the financial results of Employment and Training (ETA) grant activities must be made in accordance with ETA grant reporting requirements. Allowable costs reported to the Federal funding source must be traceable to accounting records. In addition, all allowable costs and activities must be reported, and the reports must be submitted in the format specified by the ETA Form 9068. Palau receiving its Title IB grants under formula grant is required to report the financial results of WIA programs in accordance with the requirements set forth by the Secretary of Labor. These requirements were provided in Training and Employment Guidance Letter (TEGL) 16-99 dated June 23, 2000. Financial Status Reports (FSR) is submitted electronically to the United States Department of Labor, Employment and Training Administration, Region 6 Office in San Francisco, California. The FSRs are due no later than 45 days after the end of the report quarter and 90 days after the expiration of fund

availability or when all funds are expended, whichever comes first. Recipients are required to report accrued expenditures separately for each source of funds cumulatively from the inception of each grant. In order to properly report costs, States, and other direct grant recipients shall establish a subrecipient reporting system that allows the report to incorporate costs at all levels of the system into the FSRs submitted to the ETA.

There is one federally required report for the Title IB program. The report has six formats:

- Statewide Activities (ETA 9076-A)
- Statewide Rapid Response (ETA 9076-B)
- Local Administration (ETA 9076-C)
- Local Youth Program Activities (ETA 9076-D)
- Local Adult Program Activities (ETA 9076-E)
- Local Dislocated Worker Program Activities (ETA 9076-F)

Each of the six formats is patterned after the Standardized Form (SF) 269, the quarterly reporting format used throughout the Federal government for reporting grantee financial activity. Each format contains standard identifying information, funding year, and period covered by the report and requires grantees to report total Federal outlays (accrued expenditures), net of refunds, unliquidated Federal obligations, total Federal funds authorized, recipient (or non-Federal) outlays, and program income.

Additional breakdowns are contained on the formats:

- Adult and Dislocated Worker reports: transfers of obligation authority between the Adult and Dislocated Worker programs (up to 20 percent)
- Statewide Activities report: outlays from recaptured local area funds and State administrative expenditures
- Youth Program Activities report: outlays by in-school and out-of-school youth eligibility categories and outlays for summer employment opportunities.

(2) Accounting Records

The State Board as Subgrantee and WIA Office as Administrative Entity of WIA Title IB Funds shall keep records that adequately identify ETA grant funds. The records shall contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. The records shall be maintained in accordance with Generally Accepted Accounting Principles (GAAP). Cash or accrual methods of accounting may be used, however, expenditures must be reported to the ETA on an accrual basis. If the records are maintained on a cash basis, there should be

maintained a set of linking records, typically accrual spreadsheets, so that the reported costs are traceable during monitoring or auditing to the official accounting records or books of account.

(3) Internal Controls

There shall be maintained effective control and accountability of all grant and subgrant cash, real and personal property, and other assets. Internal controls must be designed to provide safeguards for Federal funds. Payments should not be authorized solely by an employee who also has the authority to sign checks. Internal controls for property should be inherent in the inventory system that tracks purchases and locations or use of property procured with grant funds. Adequate safeguard of properties procured with ETA grant funds and must be used solely for authorized ETA grant activities.

(4) Budget Controls

Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant (planned vs. actual analysis). The results of such analysis shall be used to preclude overspending and/or to modify contracts and grant agreements. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement.

(5) Allowable Costs

Applicable OMB cost principles, ETA grant regulations, and the terms of the grant and subgrant agreements must be followed in determining the reasonableness, allowability, and allocability of costs. Only allowable costs may be charged to an ETA-funded grant.

(6) Source Documentation

Accounting records must be supported by source documentation such as canceled checks, invoices, purchase orders, paid bills, payrolls, time and attendance records, contract and subgrant award documents, tax records, etc. Source documentation is the proof that costs reported to the granting agency is, in fact, allowable and allocable to the grant. This source documentation must be available for review by awarding agency representatives and auditors and directly relate to the costs claimed on financial reports.

(7) Cash Management

Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement of WIA Title IB funds must be followed whenever advance payment procedures are used. When advances are made by Payment Management System (PMS)/electronic transfer of funds (ETF) methods, the WIA Office must forecast cash needs to ensure that cash is received as close as possible to the time of actual disbursement. The State Board must monitor the cash received by their subgrantee to minimize cash on

hand. In addition, must also ensure that subgrantee's cash management procedures conform substantially to the same standards of timing and amount that apply to the awarding entity.

Any cash available for disbursement for ETA-funded program purposes, whether from drawdowns, program income, or rebates, are considered to be ETA-funded grant cash on hand and should be used before requesting additional funds. Even if the program income is not spent until at a later date, the cash associated with that program income must be disbursed before additional cash is requested. The cash proceeds from earned program income should be used immediately for whatever ETA-funded grant disbursement needs exist. The State Board and the WIA Office should not leave cash resulting from earned program income sitting idle in a bank account.

PALAU PACIFIC WIASRD

The State Board and WIA Office are required to use the Pacific Jurisdictions Performance Report that is submitted on a quarterly basis to the U. S. Department of Labor, Employment and Training Administration, San Francisco Region 6 Office, as follows:

For the Pacific Jurisdictions, outcomes are exit-based – in large part, due to the absence of UI wage records. For each of the three funding streams (adults, dislocated workers, youth) there are two types of performance measures: *employment-related outcomes* and *secondary outcomes*. The reason for the latter distinction lies in the uniqueness of the Pacific insofar as what clearly constitutes a positive outcome.

Data are captured on the Pacific WIASRD, the program report format designed specifically for the Pacific. Actual, aggregate performance is reported each quarter in absolute figures (not percentages).

The 16 common performance measures utilized for the Pacific jurisdictions are as follows:

For Adults and Dislocated Workers:

- A. Employment-Related Measures
 - 1. Entry into unsubsidized, non-subsistence employment
 - 2. Entry into subsistence employment

- B. Secondary Outcomes
 - 3. Average hourly wage at exit for those employed (non-subsistence) at exit
 - 4. Secondary school diploma attainment

5. Attainment of credential or skills certificate other than a secondary school diploma or its equivalent
6. Entering or returning to further education or training at exit

For Youth: (Measures don't distinguish youth by school status or younger/older status)

A. Employment-Related Outcomes

1. Entry into unsubsidized, non-subsistence employment
2. Entry into subsistence employment

B. Secondary Outcomes

3. Secondary school diploma attainment
4. Attainment of Credential or skills certificate other than a secondary school diploma or its equivalent

The Grant Recipient and subrecipients shall ensure that records are maintained:

- (1) Of each applicant for whom an application has been completed and a formal determination of eligibility or ineligibility made;
- (2) Of each participant's enrollment in a WIA-funded program in sufficient detail to demonstrate compliance with the relevant eligibility criteria attending a particular activity and with the restrictions on the provision and duration of services and specific activities imposed by the Act; and
- (3) Of such participant information as may be necessary to develop and measure the achievement of performance standards established by the State Workforce Investment Board and WIA Office and having been approved by the President of Palau and the U. S. DOL Secretary.