

CFWDB POLICY NO. P-WDB-020-2022

Subject: Subrecipient Financial Invoicing

Purpose: To provide subrecipients with guidance and set forth standards for financial invoicing requirements for programs funded in whole or in part with Workforce Innovation and Opportunity Act (WIOA) Title I funds.

Background: The Office of Management and Budget (OMB) together with Federal awarding agencies has issued a joint final rule. This final guidance is located in Title 2 of the Code of Federal Regulations. This final guidance supersedes and streamlines requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in OMB guidance); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.

Public Law (P.L.) 113-128 WIOA Sec. 184; 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 20 CFR Part 683; TEGL 15-14 Implementation of the new uniform guidance regulations.

Policy: It is the policy of Workforce Connections (CFWDB) that all recipients and subrecipients receiving WIOA Title I funds awarded by CFWDB must establish a sound financial management system of controls that comply with the applicable uniform administrative requirements, cost principles, and audit requirements as established under Title 2 of the Code of Federal Regulations Part 200. Therefore, all sub-awards awarded by CFWDB are subject to applicable funding source Act's statutes and regulations, State and local policies.

I. General Provisions

Financial Management System Standards

The 2CFR establishes a set of standards that must be included in the financial management systems of grantees and sub-grantees.

A. Internal Controls

An integral component of an organization's management that provides reasonable assurance that the following objectives are being achieved:

1. Effectiveness and efficiency of operations;
2. Reliability of financial reporting; and
3. Compliance with applicable laws and regulations.

In general, subrecipients shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of, and accounting for, funds awarded by CFWDB. Such procedures shall ensure that all financial transactions are conducted and records maintained in accordance with generally accepted accounting principles, and demonstrate compliance with established Federal, State and local regulations.

B. Source Documentation

1. All accounting/fiscal records must be supported by source documentation, meaning that all transactions and events need to be clearly and timely documented, and that the documentation shall be readily available for evaluation. By law, subrecipients are required to maintain and retain records of all programmatic and fiscal activities funded in whole or in part under Title I of WIOA according to record retention requirements outlined in CFWDB policy Admin-010-04.
2. Copies of support documentation with respect to direct participant costs must be included in the program participant files.

C. Subrecipients are responsible for the efficient and effective administration of WIOA Title I funds through the application of sound financial management systems of control. Subrecipients assume responsibility for administering WIOA Title I funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of contract awards.

D. Subrecipients should carefully review their system for charging costs to ensure that all the cost activities are adequately accounted for and that the costs reported on the applicable monthly financial reports/invoices are traceable to both the accounting system and source support documentation. A clear audit trail must exist between the official books of account and required financial reports and invoices. Subrecipients must use resources consistent with the organization's policies and/or procedures, in compliance with all applicable laws and regulations and with minimal potential for waste, fraud or mismanagement.

If a subrecipient receives more than one type of funding (e.g., adult, dislocated worker, in-school-youth, out of school youth) the sub-recipient's accounting system must be able to report revenue and expenses for each type of funding separately.

E. General Management Control Standards:

1. All program obligations and costs must comply with applicable laws and regulations.
2. Management controls must provide reasonable assurance for program assets to be safeguarded against waste, loss, unauthorized use and misappropriation.
3. Subrecipients must maintain high levels of integrity and competence to help ensure accuracy, completeness and validity of all fiscal transactions.

II. Monthly Invoices

Each subrecipient shall invoice CFWDB at least monthly by the 10th day of the following month in which costs were incurred. Additional guidance related to monthly invoice submissions are provided by PR-WDB-017-2018 Procedures for Submission of Monthly Subrecipients In the event that no costs are incurred in a month, the subrecipient must submit an e-mail to the CFWDB fiscal department informing that no costs were incurred during the month.

III. Review Requirements

- A. CFWDB will review all submitted invoices for accuracy, integrity, and completeness.
- B. If determined during fiscal/programmatic review that submitted invoices do not meet established standards, or invoiced expenditures are not substantiated, the subrecipient will be advised in writing with respect to specific corrective action to be taken.
- C. CFWDB will only process properly completed invoices, where all program participant related activities, costs, case notes, outcomes, etc.; have been properly recorded in CFWDB's data system, per the CFWDB program administrator.

IV. Right to Withhold

CFWDB reserves the right to deny all or a portion of any reimbursement otherwise due to the subrecipient when CFWDB gives the subrecipient written notice of CFWDB's opinion that specific deficiencies must be cured, and which grants the subrecipient 5 business days to cure the following:

- A. The sub-recipient's performance, in whole or in part, either has not been carried out or is insufficiently documented; or
- B. The subrecipient has neglected, failed or refused to furnish information or to cooperate with any inspection, audit or review of its program(s), work or records; or
- C. The subrecipient has failed to sufficiently itemize or document its demand(s) for payment; or
- D. The subrecipient has materially failed to comply with any of the established Federal, State, local, or contract agreement provisions; or
- E. The subrecipient has failed to reimburse any disallowed cost(s) to CFWDB.

Note: CFWDB may grant the subrecipient an extension of time to cure said defect in response to a written request from the subrecipient indicating why five business days is determined to be unreasonable time to cure said defect.

V. Accessibility

- A.** Consistent with CFWDB policies, the Federal awarding agency, the Inspector General, Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records (including electronic writings and records) of recipients, subrecipients, vendors, and others that are pertinent to the award, in order to make audits, examinations, excerpts, transcripts and copies of such documents. This right also includes timely and reasonable access to a recipient/sub-recipient's personnel for the purpose of interview and discussion related to such documents. For WIOA Title I recipients/subrecipients, the Director - Office of Civil Rights has the same rights of access described above per the requirements of Title 29 of the Code of Federal Regulations Part 38. The rights of access mentioned in this paragraph are not limited to the required retention period but shall last as long as records are retained.
- B.** Right to examine: Subrecipients shall give the Department of Labor (DOL), the North Carolina Department Commerce, and CFWDB, through any authorized representative, the access and right to examine all records, books, papers or documents related to its CFWDB sub-awards.

Effective Date: Immediately

Expiration Date: Indefinitely

Contact: Cape Fear Workforce Development Board Director

Distribution: CFWDB Staff, WIOA Programs Contractors, NC DWS Career Center Staff, all Career Center Partners that provide services within a Career Center

Attachments: **A: PR-WDB-017-2018 Procedures for Submission of Monthly Subrecipients**
B: F-WDB-031-2018 Invoice Template Rev 6.30.22
C: F-WDB-026-2018 Invoice Itemized Breakdown Updated 9.4.18
D: F WDB-060-2022 Required Invoice Documents