



Northern Area Local Workforce Development Board (NALWDB)

WIOA Financial Policy and Procedure Manual

ADOPTED: 1/11/2019

WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)
PROGRAM POLICY NOTICE NO. 1
EFFECTIVE DATE: 1/11/2019

SUBJECT: FINANCIAL MANAGEMENT

The NALWDB will maintain a financial management system in accordance with generally accepted accounting principles (GAAP) requirements and 2 CFR §200.302, which will provide for adequate control of funds and other assets, ensure the accuracy of the financial data, provide for operational efficiency and for internal controls to avoid conflict of interest situations (and avoid the appearance of apparent conflicts of interest) and to prevent irregular transactions or activities. The required records and reports shall be uniform in definition, accessible to authorized Federal and State staff, and verifiable for monitoring, reporting, audit, program management, and evaluation purposes per WIOA Section 185 (a)(1) and (2).

Internal Controls

Internal controls are a living process, effected by the board of directors, management and other personnel designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance. Operations objectives pertain to the effectiveness and efficiency of operations and includes the safeguarding of assets against loss; reporting objectives pertain to internal and external financial and non-financial reporting and encompasses reliability, timeliness, transparency and other terms set forth by grantors (federal and non-federal) and recognized standard setters (GASB); compliance objectives pertain to adherence to laws and regulations to which NALWDB is subject.

In accordance to 20 CFR §200.303 each sub-recipient must:

- Establish and maintain effective internal control over the Federal award that provides reasonable assurance that management of the award is in compliance with Federal and State statutes, regulations, and the terms and conditions of the Federal award.
- Evaluate and monitor sub-recipients' compliance with statute, regulations and terms and conditions of Federal awards. This will be conducted on an annual basis.

- Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

COST LIMITATION COST CATEGORIES

The Title I cost classifications are Administration and Program. These cost classifications are described in general in 20 CFR §683.205 and 683.215 of the Federal Register and under Section 128 (4) (A). The costs of Administration at the local level must be tracked and reported by the Local Workforce Development Boards (LWDBs), local grant recipients, local grant sub-recipients, local fiscal agents, and One-Stop Operators. Allowable costs shall be charged (allocated) to the benefiting funding stream and cost objective/category.

ADMINISTRATIVE COST CATEGORY

Cost Limitations

Local area expenditures for administrative process under WIOA formula grants are limited to no more than 10 % of the amount allocated to the local area under Section 128 (b) and 133 (b) of WIOA.

Allowable Costs

1. The costs of administration are that allocable portion of necessary and allowable costs that are associated with the overall management and administration of the workforce investment system and which are not related to the direct provision of workforce investment activities. These costs can be both personnel and non-personnel and both direct and indirect.
2. LWDB, local grant recipient, local grant sub-recipient, local fiscal agent, and One-Stop Operator costs associated with the specific functions, identified in 20 CFR 683.215, must be classified as administrative costs. These functions are:
 - a. Performing the following overall general administrative functions and coordination of those functions under WIOA Title I:
 - Accounting, budgeting, financial and cash management functions;
 - Procurement and purchasing functions;
 - Property management functions;
 - Personnel management functions;

- Payroll functions;
 - Coordinating the resolution of findings arising from audits, reviews, investigations and incident reports;
 - Audit functions;
 - General legal services functions; and
 - Developing systems and procedures, including information systems required for these administrative functions;
 - b. Performing oversight and monitoring responsibilities related to WIOA administrative functions;
 - c. Costs for goods and services required for the administrative functions of the program, including goods and services such as rental or purchase of equipment, utilities, office supplies, postage, and the rental and maintenance of office space;
 - d. Travel costs incurred for official business in carrying out administrative activities or the overall management of the WIOA system; and
 - e. Costs of information systems related to administrative functions (for example, personnel, procurement, purchasing, property management, accounting and payroll systems) including the purchase, systems development and operating costs of such system.
3. Awards to sub-recipients or vendors that are solely for the performance of administrative functions are classified as administrative costs.
4. Personnel and related non-personnel costs of staff that perform both administrative functions specified in paragraph 2 (a-e) and programmatic services or activities must be allocated as administrative or program costs to the benefiting cost objectives/categories based on documented distributions of actual time worked or other equitable cost allocation methods.
5. Specific costs charged to an overhead or indirect cost pool that can be identified directly as an administrative cost must be charged as administrative costs. The key to charging indirect costs as administrative costs is to identify such costs directly as an administrative cost by function, not by its relationship to costs in the direct cost base.
6. Continuous improvement activities are charged to administration or program category based on the purpose or nature of the activity to be improved. Documentation of such charges must be maintained.

WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

Fiscal POLICY NOTICE NO. 2

EFFECTIVE DATE: 1/11/2019

SUBJECT: Cost Allocation Plan

Introduction

This Cost Allocation Plan pertains to the Northern Area Local Workforce Development Board (NALWDB) for the period of July 1, 2017 through June 30, 2018. This Cost Allocation Plan is utilized in allocating program expenses amongst the funding streams available to the NALWDB to provide all services. This plan is designed to charge each funding stream only for the expenses or portion of expenses for which a direct benefit is received.

Significant effort is made by the NALWDB Board, Budget Committee, Fiscal Agent and Administrative staff to meet the U. S. Department of Labor, Office of Cost Determination requirements to: (1) distribute costs in a fair and equitable manner without distorting the financial results; (2) be in conformance with Generally Accepted Accounting Principles (GAAP); (3) produce reliable and fairly predictable results; (4) be able to accommodate changes in funding; (5) not be so complex that the expenditure of time to allocate would not be cost effective and (6) be efficient and reasonable to allocate.

1. Mission Statement:

The NALWDB is a non-profit New Mexico corporation, serving ten (10) counties in northern New Mexico, committed to education and train its workforce to meet the changing job needs of northern New Mexico. The NALWDB service area includes; Santa Fe, Taos, Rio Arriba, Colfax, San Miguel, Mora, San Juan, Colfax, Cibola and Los Alamos.

2. Overview

The NALWD Board manages, through its Administrative staff; contracted Service Providers, Adult, Dislocated Worker, and Youth programs designed primarily to assist disadvantaged individuals, obtain and retain meaningful employment or achieve academic proficiency. The Workforce Investment Opportunity Act (WIOA) for PY17-18 includes formula funded programs for:

- WIOA Adult and Dislocated Worker activities in ten (10) counties in northern New Mexico, and
- WIOA Youth In-School and Out-of-School activities in ten (10) counties in northern New Mexico.

3. Organization

The NALWDB, a non-profit New Mexico corporation, is organized with a WIOA required Board of Directors with an Administrative staff supervised by a Board employed Executive Director. Currently, the corporation is funded solely by WIOA grants.

4. Description of Services

WIOA Adult and Dislocated Worker Services delivered through One-Stop Career Centers: Per the WIOA, NALWDB is charged with developing and insuring that it manages and operates One-Stop Career Centers serving ten (10) counties of Northern New Mexico. Contracted One-Stop management services include: gateway services, career guidance services, case management, and business services. In order to comply with the WIOA and provide productive and integrated services some of the One-Stop operations include partner organizations. To date, this has taken place only on a limited basis. The contracted One Stop Service Provider provides employment and training services accessible to all customers of the NALWDB target Service Area including job seekers, employers and partner organizations. In PY 17-18 One-Stop Career Centers will be located in Farmington, Las Vegas, and Santa Fe.

WIOA Youth Services: A Youth Service Provider, as sub grantee of the NALWDB, provides services to In and Out-of-school youth. The In-school program activities strive to reduce the high school dropout rates and increases student achievement through the application of individualized instruction, employability/life skills training, work experience opportunities and essential training in information technology. Out-of-School program activities provide clients with an individualized education plan designed to attain remediation of academic deficiencies. Through the use of computer technology older youth clients raise their academic skills, research career opportunities, complete employability skills training and participate in paid work experience activities. These activities are completed to provide the older youth client a marketable skill for employment. Under WIOA 75% of Youth funding must be utilized for Out of School Youth. Additionally, 20% of youth funds must be used on Work Experience. If Congress funds a Summer Youth Employment Program (SYEP), those activities should take place from May 1 through September 30 for 14 to 24 year old youth to provide them a Work Competency component; or whatever component the funds require.

Other WIOA or non-WIOA Grants: Periodically, the NALWDB obtains grants from the State Administrative Entity or other entities to assist with targeted populations or programs. These funds, when secured, will follow the same cost principles outlined herein.

5. Official Financial Statements

A copy of the NALWDB latest audit report identifying a Schedule of Federal Expenditures of Federal Awards as well as basic financial statements addressing the Financial Position, Changes in Net Assets, Cash Flow Statement and other Uniform Guidance required financial statements has been submitted to the Department of Workforce Solutions Grants and Auditing Unit, and is available upon request from the NALWDB.

6. Cost Allocation Methodology - Organization

The NALWDB follows the cost principles contained in 2 CFR 200, Subpart E, as identified in the Uniform Guidance. A Direct Allocation Methodology is employed, utilizing an integrated financial software system to distribute costs on predefined relationships to particular cost objectives and benefiting funding streams. Costs are treated as direct costs except for General Administration and General Expenses. General administration and general expenses are discussed below.

Joint costs will be distributed to each benefiting activity using a base most appropriate to the cost being prorated. In all circumstances, a form (e.g., voucher requesting disbursement of funds) contains a written cost code for which costs are charged. The method used for distributing joint costs is compatible with the provisions of Subpart E.

Direct Costs

Allowable staff and operating expenses that can be directly charged to a single funding source and/or cost category, will be charged accordingly (e.g. fiscal activities). NALWDB policy and procedures require a time and attendance support document (Time sheet) for payroll payments as well as a cash disbursement voucher with coding justification for cash disbursements by staff or Board members. In both cases the final cost objective is supported by hours spent working on a program or explanation of direct benefit. Despite the fact that the NALWDB maintains job position descriptions, staff may be asked to perform work on assignments seemingly unrelated to the job description. Exceptions chargeable to a specific grant will be noted on the applicable time sheet with each hour entered by day worked and number of hours worked. Facilities expense will be directly distributed based on space occupied by staff.

Indirect Costs

Indirect costs, consisting of general administration and general expenses incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives are allocated to grants based on a ratio of program benefits. Examples of indirect costs include, but are not limited to, utilities, facilities, facilities maintenance, common equipment, and required insurance.

7. Personnel Services Costs Allocation

Wages: NALWDB Policies and Procedures directly rely on daily time distribution records utilizing a time sheet. All costs charged to grants are based on payrolls documented and approved by the Executive Director. Every employee must provide time and attendance records in order to be paid. Charges for wages are based on a documented

payroll time sheet. Employees certify hours charged and the Executive Director certifies that the activities performed by the employee are charged accurately for the period covered. The majority of employees direct charge their time as a direct cost since their work is specifically identifiable to specific grants, contracts or other activities. Exceptions to these time charges for activities specifically identified are reflected on the time sheets for the period of the actual activities of the identified employee.

Fringe Benefits: NALWDB contributes to health insurance, a 401k pension plan, FICA, unemployment insurance, and workers' compensation for its employees. Personnel benefits are charged in the same manner as wages for direct and indirect costs.

8. Non-Personal Services (NPS) Costs Allocation

The allocation of operating costs in general (e.g., utilities, supplies, and other such costs best correlated with staff usage) will be done on the basis of a pro-rated amount for each grant receiving benefit from such operating costs. Non-personnel services costs, when directly associated with time worked by the employee, will be allocated to the benefiting cost objectives based on documented distributions of actual time worked.

9. Review Modification Process

This cost allocation plan will be reviewed by the Fiscal Agent along with the Executive Director at the end of every quarter; and as any significant changes occur which would affect the allocation of costs under the grants administered, changes will be made.

10. Certification

The NALWDB maintains its accounting systems in accordance with Generally Accepted Accounting Principles (GAAP), and has prepared this Cost Allocation Plan in accordance with the applicable policies, procedures, laws, and regulations cited in 2 CFR 200, the Workforce Investment Opportunity Act, and Federal Register.

WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

Fiscal POLICY NOTICE NO. 3

EFFECTIVE DATE: 1/11/2019

SUBJECT: COST PRINCIPLES, ALLOWABLE COSTS AND UNALLOWABLE COSTS

The OMB Uniform Guidance 2 CFR Part 200 Subpart E contains the Federal cost principles that define when and how costs can be charged to grants. Even though the circular does not address every possible cost, they are the groundwork for all grant financial management, and grantees and sub-grantees should rely on their guidance to avoid audit findings and potential liability.

The following general cost principles, as specified in the circular must be used in determining cost allowability for grants.

I. Costs must be necessary and reasonable

Any cost charged to a grant must be necessary and reasonable for the proper and efficient performance and administration of the grant. A grantee or sub-grantee is required to exercise sound business practices and to comply with its procedures for charging costs.

II. Costs must be allocable

A grantee or sub-grantee may charge costs to the grant if those costs are clearly identifiable as benefiting the grant program. Costs charged to the grant should benefit only the grant program, not other programs or activities. In order to be allocable, a cost must be treated consistently with like costs and incurred specifically for the program being charged. Shared costs must benefit both the ETA grant and other work and be distributed in reasonable proportion to the benefits received.

III. Costs must be authorized or not prohibited under Federal, State, or local laws or regulations.

Costs incurred must not be prohibited by any Federal, State, or local laws.

IV. Costs must receive consistent treatment by a grantee

A grantee or sub-grantee must treat a cost uniformly across program elements and from year to year. Costs that are indirect for some programs cannot be considered direct ETA grant costs.

V. Costs must not be used to meet matching or cost-sharing requirements

A grantee may not use federally funded costs, whether direct or indirect, as match or to meet matching fund requirements unless specifically authorized by law.

VI. Costs must be adequately documented

A grantee must document all costs in a manner consistent with GAAP. Examples include retaining evidence of competitive bidding for services or supplies, adequate time records for employees who charge time against the grant, invoices, receipts, purchase orders, etc.

VII. Costs must conform to ETA grant exclusions and limitations

A grantee or sub-grantee may not charge a cost to the grant that is unallowable per the grant regulations or the cost limitations specified in the regulations.

WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

Fiscal POLICY NOTICE NO. 4

EFFECTIVE DATE: 1/11/2019

SUBJECT: Weekly Bookkeeping Procedures

POLICY

A. PURPOSE

To establish the procedure and authority for NALWDB's weekly bookkeeping process.

B. SCOPE

This policy applies to all employees the NALWDB's Fiscal Agent who will process the weekly bookkeeping.

C. GENERAL INFORMATION

The accounting information has been set-up in QuickBooks. It has further been designed to allow for tracking by funding stream (Administration; Adult; Dislocated Worker and Youth-In and Youth-Out, etc.). The funding streams are reported by "Class" or profit center to insure proper tracking. In addition, each contract entered into by NALWDB with service providers are accounted for as a "Job" within the accounting system. This is important because certain contracts cross fiscal years. Reports generated by QuickBooks are available by Class and by Job.

The Chart of Accounts was developed by NALWDB staff with the assistance of Fiscal Agent staff.

The Fiscal Agent will process financial information on their behalf and will be available on a continuous basis to answer questions and provide advice and assistance. Final decisions are the ultimate responsibility of the NALWDB staff and management. Any disagreements related to the handling or payment of transactions must be documented in the Permanent File with a clear written directive from NALWDB's management.

The NALWDB will request funds for immediate needs only. The Fiscal Agent will attempt to keep cash balances to a minimum.

D. WEEKLY BOOKKEEPING PROCEDURES

RECEIPT OF DOCUMENTATION:

1. We request that NALWDB submit the following documents by Friday afternoon: original and photocopies of Payment Vouchers, original Time Sheets, and other miscellaneous information via personal delivery. NALWDB also submits Provider Drawdown Requests via e-mail.

PREPARE COPIES:

1. Organize copies of NALWDB's Payment Vouchers. They will submit to us their original signed copies and a second copy for us. Go through and make sure we have a copy of every page of the back-up documents, then staple our copy of the Payment Voucher to the corresponding backup.
2. Drawdown requests are e-mailed to FISCAL AGENT by the approving staff member at NALWDB. Make sure that you have received approval from NALWDB's staff before processing cash request. Make 3 copies of Drawdown Requests received from NALWDB. Log the request in the "Cash Log by Agency" spreadsheet in the "cash requests from sub-grantees" folder in DMS to verify that the provider has available funds in their contract to cover the request. The 3 copies of Drawdown Requests will be filed as follows: Provider's Grant file; Program file; ACH Payment file; and Batch file.

PROCESS VOUCHERS:

1. Enter Voucher information in QuickBooks as a bill using Friday's date (checks release date) in the Date and Bill Due fields. Also, please use the following format examples for the corresponding fields:
 - a. Ref. No. = "Invoice #: 123"
 - b. Account = refer to the account number noted on the payment voucher form
 - c. Customer Job
 - d. Class
2. As vouchers are entered, check that all vouchers have approval signatures and **check the account number for accuracy to avoid misclassification or double payment.** Also, check in detail all travel vouchers for the following:
 - a. Either a Mapquest mileage report or the odometer reading must be attached to the voucher. If Mapquest mileage report is used, check the Travel Reimbursement Request for accuracy of miles used.
 - b. Refer to Travel Reimbursement Rules & Regulations for accuracy of travel reimbursement request. Some examples include:
 - Meal reimbursements are limited on a daily basis to \$35.00 for in-state and \$45.00 for out-of-state travel.
 - Board members are entitled to the Meeting Fee for all board or committee meetings, as follows:
 - State employee or other mandated partner: a) takes annual leave from their job; and b) Board meeting is an official meeting; or c) board member is an official member of the committee, if applicable.
 - Public board members: a) Board meeting is an official meeting; or b) board member is an official member of the committee, if applicable. Check the list of board members or committee

members to find out which rules apply.

- Board members may receive reimbursement through one of the three methods: 1) Meeting Fee, 2) Actual Expenses, or 3) Per-diem. For example, if the hotel room has been covered by NALWDB, actual expenses, for other than lodging, can only be claimed by the Board Member.
- c. All other receipts must be attached to the voucher. Match the amounts on the voucher to the receipt.
- d. One stop invoices must be allocated equally between Adult and Dislocated Worker job and class.
- e. Make any necessary changes/corrections on the Payment Voucher with indelible ink.
- f. Any exceptions discovered during the voucher input process needs to be communicated to the Office Manager at NALWDB.

PROCESS PROVIDER DRAWDOWN REQUESTS:

1. Enter Drawdown(s) as a bill using Friday's date in the Date and Bill Due fields. Also, please use the following format examples for the corresponding fields:
 - a. Memo = "NB-2013-OS-01 DD#19"
 - b. Account = use Account code "7500"
 - c. Customer Job = select the job corresponding to the agency's grant contract noted on the cash request.
 - d. Class = select the class corresponding to the cash request's noted funding stream (Adult, Dislocated Worker, Youth).

PROCESS PAYROLL TIME SHEETS:

For every employee, the following steps will need to take place:

1. Review timesheets for accuracy, e.g., detail personal time agrees with Personal Used total, Gross Total agrees to QuickBooks, and time sheets have approval and employee signature.
2. Open the spreadsheet entitled "payroll timesheet work hours ratios" in DMS. Copy the last tab to a new tab and change the date to the Friday's date. Enter hours from the time sheets to the corresponding cell for employee. This will allocate any holiday hours to the jobs and also allocate sick and vacation time to the different jobs depending on the other hours worked on each job.
3. Enter Time Sheet through "Employees/Pay Employees" menu in QuickBooks.

- a. Make sure the Check Date and Pay Period Ends fields are correct.
 - b. Enter the hours for each job based on the spreadsheet mentioned above from the column entitled "payroll entry" for each employee.
 - c. Check that the Vacation Avail. on QuickBooks agrees with the Timesheet's balance. If the balance does not agree, refer to the leave tracking folder for reference and make adjustment to timesheet.
 - d. Click on "Create". QuickBooks automatically creates a check number as DD (for direct deposit) for all the payroll checks
4. An adjustment will need to be made if there was any annual or sick leave taken. The numbers needed are automatically calculated on the spreadsheet from step 2 from the columns at the end of the spreadsheet entitled "total sick time adjustment" and "total annual leave adjustment". Record the journal entry number with the Friday's date and the number 4.
 5. See below for ACH transaction entry for direct deposit.

PAYROLL TAX PAYMENT:

1. Open QuickBooks payroll center, click the "pay liabilities" tab.
2. Select the liability to pay by placing checkmark on the corresponding line.
3. Click on "view/pay".
4. Check will pop up, make sure "e-payment" is selected and click "e-pay".
5. Print the QuickBooks tax payment confirmation.

ADJUSTMENTS TO EXPENDITURES BY FUNDING STREAM PER BUDGET:

1. Print "Weekly Drawdown Report" for the week in the Reports menu and double check that all vouchers have been inputted and check the accuracy of amounts.
2. Open the excel spreadsheet "Breakout by Funding Stream" in the DMS folder with the same name.
3. Copy and create a new tab from the template tab and rename the new tab to the date of the batch.
4. Input the Expenditure amounts from each account that needs to be allocated from the "Weekly Drawdown Report" into the Expense Amount column. Note that not all the accounts need to be allocated, some of them are 100% administrative like travel, and some are already allocated like payroll or one-stop. The spreadsheet's formulas will automatically breakout the adjustment by funding stream. Note, the youth funds will need to be broken out by Youth-in (50%) and Youth-out (50%) which the amounts

should be noted on the side of the expense amount.

5. Print the report
6. Make the journal entry to adjust the expenditures by funding stream by using the breakout calculated by the spreadsheet and adjust the revenue by using the calculated amounts from the spreadsheet. Record the journal entry number with the Friday's date and the number 1.
7. Make the journal entry to recognize the revenue. Open the "profit & loss by job" and use the total expense line per job for the journal entry. For One-stop, SER, and Youth, drill down on the total expenses line to create a report of just those expenses, then expand the report, then customize the report with total by class and sort by class. This gives the numbers to use in the journal entry. Record the journal entry with the total expense as a debit to deferred income and the expenses for the individual jobs and class expenses as a credit to grants. Number the journal entry with the Friday's date and the number 2.
8. Open reports "Profit & Loss by Class" and "Profit & Loss by Job" to make sure the Net Income is \$0.00 for all funding streams. If they are not, you may need to adjust the revenue amounts on the journal entry noted in 6.

PREPARE CASH REQUEST:

1. Print out the "profit & Loss by job". On the same report, below the data, write out the same expenses by class, and then summarize with totals by class.
2. Open "Cash Request Summary". Copy the first four columns of the last two rows with data and paste them in the next rows down. This will keep the formula integrity. Change the date to the Friday's date and the cash request numbers to keep the sequential order. Enter your written totals to the correct cash drawdown row for corresponding day into the cells where funding is available. For example, if there is still adult funding for PY, thus use that money first. Refer to the last row for balances.
3. Also enter the previous cash requests deposit date and the number of days it took to get the deposit at the far right of the spreadsheet in order to track the turnaround time for the cash requests.
4. Copy prior cash requests from DMS (preferably to desktop) and rename to new number.
5. Filling out requests:
 - a) Open report and change the request number located at the top, and the date to the batch date.
 - b) Copy amounts from part B, line 6 to part B, line 3. Make sure to not paste the formula, only the amount.
 - c) Input amounts onto the form from the "Cash Request Summary" report to part B, line 5. For Youth requests, the breakout between in and out needs to be added to the cumulative totals in part B, lines 13 & 14. These should also tie out

to your cash requests summary spreadsheet.

- d) That amount from part B, line 3 should also be entered on part A, line 2 unless there are some outstanding requests. If there are, part A, line 2 should be less those outstanding requests and the outstanding requests should be entered on line 3 of part A. Part A lines 2 & 3 should total part B, line 3.
 - e) All unobligated balance totals from part B, line 9 should tie out to the cash request summary spreadsheet balances.
 - f) Line 7, Unliquidated Obligations, at a minimum, should include the contract balances for the Youth, DW and Adult service providers (from Cash Log by Provider folder in DMS). The Admin column should reflect the contract balance for fiscal agent services. Other amounts must be added to Line 7 as they become known.
 - g) Additional information (work experience & incumbent worker training expenses): these amounts will be sent from the provider in the emails. Open the corresponding spreadsheet in DMS and enter the amounts given from the provider, then enter the total from the spreadsheet onto the corresponding line on the cash request.
6. Print 2 color copies for signature. One for Fiscal Agent file and one to send to DWS. Print a paper copy and a PDF copy of the following report from QuickBooks: Weekly drawdown report and Profit & loss by job. Email the excel version of the cash request to DWS as well as a pdf copy of the Weekly Drawdown report and the weekly P&L by job.

PRINT CHECKS:

1. Go to "Vendors/Pay Bills" menu. Scan the selection to make sure you are not selecting bills that do not need to be paid yet and change the Payment Date field to the correct date. Click on "Pay select bills."
2. Print checks. Also print 2 pay stubs, 1 for NALWDB employees and 1 for payroll folder.
3. Arrange vouchers/backup documents in the order of the check printouts.

RECORD DEPOSIT:

1. Formula Funds: enter ACH deposit from DWS to the account as "deferred income". Put the corresponding cash request number on the memo line.
2. Miscellaneous Receipts

Deposit procedure for check received from NALWDB:

- A deposit slip is prepared and photocopied with the check.
- FISCAL AGENT will deposit the check at the First National Bank of Santa

Fe within 24 hours of receipt.

- The deposit receipt is attached to the photocopied check and deposit slip and filed in the deposit folder.

PREPARE WEEKLY ADMIN BUDGET:

A weekly admin budget needs to be prepared and given to client. see page ten for instructions.

PREPARE FINAL REPORTS FOR REVIEW:

1. Print the following reports capturing the date of the week. The "Total" row should equal \$0.00, unless adjustments have been made. Provide the partner with the following documents:
 - a. Weekly Drawdown Report on legal paper
 - b. Profit & Loss by Class
 - c. Profit & Loss by Job
 - d. Check Register for the week. (click the "print splits detail" box)
 - e. Checks
 - f. Pay stubs
 - g. ACH Wire Transfer
 - h. Voucher copies, timesheets, and provider's "Request for Cash"
 - i. 2 copies of the Cash Request
 - j. Initial Weekly Drawdown Report
 - k. Breakout of Operating Expenses by Funding Stream
 - l. Cash Request Summary
 - m. Weekly Admin Budget

PARTNER/SUPERVISOR REVIEW:

1. Documents are generally received for partner review during the week of distribution. Review each voucher and supporting documentation and check that the voucher has been signed by the preparer and signed by the individual approving the expense (usually Executive Director). Verify that account coding is correct. Amount reflected on voucher should be supported by adequate documentation that is attached to the

voucher. If it is not, return to bookkeeper for follow-up. Trace each voucher to amounts entered in the general ledger (Weekly Drawdown Report) to ensure that all vouchers are accounted for and amounts have been entered correctly.

2. Review request from service providers to ensure that amounts are entered in the general ledger correctly. Verify that bookkeeper has attached the printed e-mail message from NALWDB approving the drawdown.
3. Review time sheets from employees. Verify that leave earned and used are reflected on the cumulative balances. Timesheets should be signed by the employee and a supervisor. Trace gross pay to the general ledger and copy of pay stub to ensure amounts agree. Review direct deposit summary and agree net pay to the summary.
4. Review copies of checks that have been printed and agree to copy of voucher noting that payee and amounts agree. Sign each check.
5. Review Wire Transfer Form for provider draw downs to be transmitted electronically. Verify that the request for funds from provider agrees to the amount being transmitted.
6. Review the "Request for Funds" forms and agree to the final "Profit and Loss by Class" and "Profit & Loss by Job" reports to ensure that amounts agree. On occasion, there will be some adjustments that will be explained in the initial profit and loss reports that reconcile the totals for the week. Sign and date the "Request for Funds".
7. Return all documentation to bookkeeper. Attach comments as necessary for follow-up.

DWS SUBMITTAL:

1. After partner reviews the documents, e-mail the Cash Request(s) for Funds to DWS along with PDF copies of the weekly drawdown report and the profit and loss by job for the week. Print the confirmation of submittal and attach to Cash Request file copies. Mail an original signed copy of the Cash Request along with the back-up documentation, same as in the email, to DWS. Record the amount of postage on a postage log for reimbursement from NALWDB.
2. Move the cash requests back into DMS if they were copied to the desktop.

ACH WIRE TRANSFERS:

1. The ACH Wire transfers for payroll must be submitted no later than 10:00 AM the day before the pay date.
2. Open FNB Online
3. Enter sign-in

information 4.

- a. Payroll Processing:

- Click on "Management Tools" dropdown menu, select "ACH Manager"
- Select "New ACH Transfer Using Existing Transfer" from left side of window
- On the right side of window, click the dropdown box for "ACH Type" and select "Payroll"
- Click on "Submit"
- A list of all past payroll submissions will appear. Select one of them by clicking the "Payroll" link on the left side
- Change the date to the Friday payroll date
- Enter batch total amount in the "Transfer from" area
- Enter individual amounts in the "transfer to" area under each individual employee's name. Use amounts from the paystub
- Click on "Process"
- Enter the token key code when prompted
- Click on "Done"
- It will go back to the ACH Manager window. Click on "Inquire ACH Transfer" on the left side of the window
- On the right side of the window, click the dropdown box for "ACH Type" and select "Payroll (PPD)"
- Click on "Submit"
- Click on the "Payroll" link on the left side
- Click on "Print"
- A PDF page will open up. Print it out.



b. Provider Processing:

- Click on "Management Tools" dropdown menu, select "Wire Manager"
- Select "New Wire Transfer Using Existing Transfer" from left side of window
- On the right side of window, click the dropdown box for and select "Domestic" and then select "submit"

- A list of past transfers will appear. Select the type of transfer needed (i.e. SER or HELP) and a new window will pop up with the provider's information.
- Fill out amount and date information and select "process"
- Enter token key code when prompted
- Transaction will then be sent to Queue until approved by Rick. Print out confirmation by selection the "inquire wire transfer" button and select submit. Then click on the wire number link at the right of the window and a new window will open with a summary of the wire transfer that was just submitted. Print this summary
- Gather together a copy of the deposit, the provider's request, and the ACH transfer page and give to partner. The Partner will login to the bank account and approve wire transfers.

c. Credit Card Payment

- Log on to credit card payment website
- Two accounts show up, one card for Executive Director and one for Admin. Click on the one of the cards to pay
- Click on the "payments" link near the middle of the page
- Enter the payment amount
- Click the button for "checking account". The account and routing number boxes will pre-fill automatically
- Click on "submit"
- Review and confirm the information, click on "Submit"
- Print the confirmation screen
- click the "administration" link on the right side of the screen in order to be able to select the second card account, repeat the steps for the second account

5. Click on "Log off" when you have completed the process

BUDGET TO ACTUAL

1. Prepare a budget to actual statement for the client. Note: this does not need to be done during the first half of the year, but every week thereafter the half year mark.
 - a. Open a year to date P&L from QuickBooks
 - b. Open up the spreadsheet "Weekly Admin Budget" from the budget folder in DMS
 - c. Create new tab in spreadsheet and put current date as tab name
 - d. Enter the numbers from the P&L to the total column in the budget spreadsheet
 - e. Open the memorized report "Profit & Loss – One Stop Direct Expenses" out of the weekly budget report group in QuickBooks. Make sure the date is correct
 - f. Enter the numbers from that report to the corresponding lines on the budget spreadsheet as negative amounts under the "One Stop Expenses" column
 - g. Enter the total amount paid to providers as a negative amount in the "Providers" column under grants income as well as sub grantee payments
 - h. Print the report and give to partner for review and also include with the documents to be sent back to client

FILING DOCUMENTS:

1. Filing Instructions:
 - a. NALWDB's Plastic Envelope file (for pickup):
 - Check Register report
 - Checks
 - Original vouchers
 - Copies of vouchers/timesheets w/corrections
 - Budget to actual- YTD
 - b. Batch for expenditures:
 - Check Register report
 - Copies of vouchers and/or timesheets
 - Copies of Cash Requests

- Weekly Drawdown Report
 - Profit & Loss by Class
 - Profit & Loss by Job
 - Breakout of Operating Expenses by Funding Stream
- c. Cash Requests:
- Original signature cash requests
 - Confirmation of E-mail submittal
 - Profit & Loss by Job
 - Cash Request Summary
- d. Payroll:
- ACH Transmittal confirmation
 - Pay stubs
 - Time Sheets
 - QuickBooks tax payment confirmation
 - Payroll liability report
 - Timesheet work hours ratios
 - Payroll summary
- e. Provider payments:
- Wire Transfer Request
 - Copy of email from NALWDB with request
 - ACH Receipt with Partner's confirmation note
- f. Individual Employee payroll folder:
- Time sheets and check stubs

E. OTHER INFORMATION

PROCEDURES FOR NEW VENDORS:

1. Make sure that the vendor has not already been entered using a different name, e.g., NM vs. New Mexico.
2. Enter address.
3. If vendor is contracted and/or subject to receive a 1099, check the following:
 - a. Contract has been received and reviewed and filed in the Professional Service Contracts folder.
 - b. W-9, Request for Taxpayer Identification Number and Certification, has been completed.
4. Enter all other applicable information, e.g., 1099 related information.

PROCEDURES FOR NEW EMPLOYEES:

1. The following documents must be received to establish the Personnel folder:
 - a. Form W-4
 - b. I-9, Employment Eligibility Verification, with corresponding documents
 - c. Correspondence indicating approved salary
 - d. Payroll Direct Deposit Authorization, with voided check attached
 - e. Inquire if employee will be receiving health insurance through NALWDB in order to establish deduction on paycheck.

WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)
PROGRAM POLICY NOTICE NO. 5
EFFECTIVE DATE: 1/11/2019

SUBJECT: Monthly Bookkeeping Procedures

POLICY

A. PURPOSE

To establish the procedure and authority for NALWDB's (NALWDB's) monthly financial statement production process.

B. SCOPE

This policy applies to all employees of NALWDB Fiscal Agent who will produce the monthly financial statements and monthly financial status report (MFSR).

C. GENERAL INFORMATION

Financial statements are due to NALWDB by the tenth (10th) of each month.

Monthly Financial Status Reports are due to DWS by the twentieth (20th). Financial

Statements are provided to NALWDB via email for managements use

Compilation letter and related financial statements must be signed by partner of FISCAL AGENT. Individual components will not be issued separately, i.e., Statement of Net Assets, etc.

D. MONTHLY BOOKKEEPING PROCEDURES

BANK RECONCILIATION:

1. Bank statements can be obtained via First National Bank of Santa Fe's website by following these directions:
 - a. Open FNB Online
 - b. Enter sign-in information
 - c. Click on "free business checking" link under account balances
 - d. Click on the "documents" and a new window will pop up.
 - e. On the document type line, click the dropdown menu to click on "checking account statements"

- f. Click on "Submit"
 - g. Click on the month you are needing. A new internet tab will pop up with the statement.
 - h. Print the statement.
2. When finished, click on "Log Off".
 3. After obtaining a copy of the bank statement, the bank reconciliation process can begin.
 4. View reconciliation to ensure that there are no outstanding checks that are approaching 120 days. If any checks are approaching 120 days, provide NALWDB staff with the pertinent information so they may follow-up on these checks.
 5. Print a summary reconciliation report and also a detail reconciliation report and place in file along with copy of bank statement. Sign and date the reconciliation report.

PAYROLL/QUARTERLY REPORTS:

1. Print a copy of the Payroll Summary for the month.
2. Enter amounts from the Payroll Summary – Total report on the Payroll Summary Excel file and print.
3. During quarterly report filing timeline, perform the following:
 - a. Print Payroll Summary – Quarterly
 - b. Make sure amounts are correct by matching it to the payroll summary excel spreadsheet and by recalculating the SUTA amount. Note: they are exempt from FUTA.
 - c. Click on "Process Payroll Forms" in QuickBooks and complete the process to print 2 copies of the Form 941, SUTA, and WC-1 reports. One PDF copy for our DMS file, one paper copy for our Payroll folder, one paper copy for client, one paper copy of only the 941 and WC-1 for government copy.
 - d. File the SUTA report on-line.
 - e. Record payment in QuickBooks through Pay Payroll Liabilities and print checks.

CRS-1:

1. State Withholding Tax is due monthly on the 25th of the month.
2. Print monthly Payroll Summary

3. Log into TAP account and process CRS-1 return by imputing withholding amount on required line. Submit & print out copies of return, submittal confirmation, and payment confirmation.

FINANCIAL STATEMENTS PREPARATION:

1. Open financial statement folder in DMS. Copy the compilation letter, the monthly financials spreadsheet, and the grant receivable spreadsheet from the prior month folder into the current month folder. The financial statements are copied from QuickBooks into the excel spreadsheets.
2. Change the dates and the headers for each page of the monthly financial spreadsheet, and also for the compilation report.
3. Open the financial statement reports out of the memorized reports section in QuickBooks, make sure the dates are correct and review for accuracy
 - a. Make sure Net Income equals \$0.00, unless there is a legitimate known reason that it should be different. If a difference exists, research the matter.
 - b. Cash balance agrees to Bank Reconciliation report balance.
 - c. Payroll liabilities agree to EFTPS payments, etc.
4. Copy amounts from QuickBooks reports to Excel spreadsheet.
 - a. Statement of net assets
 - b. Statement of activities- month
 - c. Statement of activities- YTD
5. Budget to Actual
 - a. Only the Actual column needs updating as follows:
 1. Workforce investment funds row: total amount of grant income from statement of activities YTD
 2. Board operations: all expenses minus provider amounts and one stop. It is best to do this one last after you have the other amounts first.
 3. Program: depending on provider, it is the total of the provider payments for Adult and Dislocated Worker, or the total of the provider payments for Youth-in & Youth-out

4. Program: One stop: open the memorized report "Profit & loss – one stop direct expenses" make sure the dates coincide with the YTD financials that are being prepared. The total expense number is the number to use for the budget to actual report.
-
6. Print final Financial Statement copies:
 - a. Print the Compilation Letter on company letterhead
 - b. Print Statement of Net Assets
 - c. Print Statement of Activities for the month
 - d. Print Statement of Activities year to date
 - e. Print Statement of Budget to Actual
 - f. Also create a PDF copy of the financial statements for distribution to client and for the Financial statement folder in DMS.
 - g. Email PDF copy of financial statements to Sara after review by Rick
 - h. File PDF copy in DMS financial statement folder
 - i. File paper copy of financial statements in financial statements folder

MONTHLY FINANCIAL STATUS REPORT:

1. There should be a separate MFSR for each funding year (eg. PY13 and FY14).
2. Open MFSR folder in DMS and copy prior month's reports to desktop for program/fiscal years that still have activity.
3. Change file name by replacing prior month with current month.
4. Open Monthly Financial Status Reports. Change the date to the month end that is being worked on.
5. Copy amounts from section B, line 6 to section B, line 3. Be sure not to copy the cell formulas, only the amount.
6. Open cash request summary. Use the numbers for the month to enter on section B, lines 4 & 5 as follows:
 - a. The total of the cash requests that have been received go on line 4
 - b. The total of the cash requests that have not been received go on line 5 and also on section A, line 3.

7. For reporting of youth, the breakout between Youth-in and Youth-out needs to be added to the cumulative totals in part B, lines 13 & 14. These cells should also tie out to the total amount requested up to the month's end from the cash request summary spreadsheet.
8. Enter the total cash received to date on section A, line 2. And any outstanding cash requests on section A, line 3.
9. Line 7 should include an amount for Unliquidated Obligations. At a minimum, the amounts reflected on this line should be the contract balances for the service providers of Youth, DW and Adult. The Admin funding source should reflect the balance of the fiscal agent contract. Other unliquidated amounts must be included as they become known.
10. Additional information (work experience & incumbent worker training expenses): these amounts will be sent from the provider in the emails. Open the corresponding spreadsheet in DMS and enter the total from the spreadsheet onto the corresponding line on the cash request.
11. Print a color copy of MFSR's for signature for our file. DWS gets a scan of the signed copy emailed to them. Email includes monthly drawdown report, monthly P&L by class, and spreadsheets for the additional information.

Checks & Balances:

1. The amounts on section B, line 8 should tie out to the total requested amount from the cash request summary for each funding stream. Note: there may be some requests from the current month that need to be subtracted in order to balance. The MFSR will only tie out to the requests submitted up to the month's end of the prior month.
2. The amounts from section B, line 6 should tie out to section A, line 4, unless there's any known differences that would cause cash on hand or cash deficiency. In either case, the differences should be known.
3. Section B, line 9 should tie out to the cash request summary balance at the months end for each funding stream. For Youth, the Youth-in and Youth-out will have to be added together in order to tie.
4. Open Formula funds spreadsheet out of the MFSR to FS Reconciliation folder. Fill out amounts from statement of activities – month on corresponding cells on the formula funds spreadsheet for the row of the month that is being completed, for each of the different funding streams. Enter the amounts from the MFSR on the corresponding cells of the same row. Investigate any differences. Print report when completed. Forward to Partner for review.
5. Once partner has returned signed copies of Monthly Financial Status Report, Email a scan of the signed copy to DWS.Pmtrqst@state.nm.us along with the previously mentioned documents. The report is due by the twentieth (20th) of each month. File a paper copy of the MFSR's in the MFRS folder, and a PDF copy in DWS under the correct month of the MFSR folder.

PARTNER REVIEW:

1. Financial statements and bookkeeping files will be forwarded to partner from bookkeeper. The financial statements are due to NALWDB by the tenth (10th) of each month. The June statements may be delayed a month or more in order to accumulate information on accounts payable and other contract obligations.
2. Read the "Accountant's Compilation Report" to ensure that the financial statements that accompany the letter are identified and cover the proper period.
3. Read the financial statements. Trace amounts from the Statement of Net Assets to the bookkeeping files to ensure that asset and liability amounts are supported with proper documentation (cash balance agrees to bank reconciliation, etc.). Discuss activity with bookkeeper as necessary and process additional adjustments, as required.
4. Review the Monthly Financial Status Report to be submitted to DWS and agree monthly activity to "Statements of Activities" for the month. Refer to the "formula funds" spreadsheet for differences identified. Sign 2 copies of the Monthly Financial Status Report.
5. Obtain Bank Reconciliation, review and sign off.
6. Return documentation and files to bookkeeper for submission to client.

WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

PROGRAM POLICY NOTICE NO. 6

EFFECTIVE DATE: 1/11/2019

SUBJECT: Cash Management Policy

It is the policy of the Northern Area Local Workforce Development Board (NALWDB) to maintain cash balances at a minimum by using the cost reimbursement method. In order to accomplish this, the NALWDB has established a weekly disbursement cycle whereby expenses incurred by Board operations and grantee/contractors are accumulated and processed each week and paid on Friday. This requires that expenses incurred each week be processed and submitted to the fiscal agent by Monday at 10:00am for checks to be written and released by the following Friday. This schedule will enable the fiscal agent to post the expenses to the general ledger and request funds from the State of New Mexico by the end of business Tuesday to enable the State to process the cash request and provide funds via electronic transfer to the NALWDB bank account by Friday. Once the fiscal agent has confirmed that funds are available, the checks for the week will be released to the NALWDB for mailing.

It may be necessary from time to time to request cash on an advance basis in order to accommodate grantee, board operations and contractor cash requirements when reimbursement of expenses by the State extends beyond three (3) business days of its established cycle. The State relies on the Department of Finance and Administration (DFA) to process payments and therefore DFA experiences delays caused by volume of transactions or other issues. If advance payments are requested, the NALWDB will do its very best to forecast its cash needs in an effort to keep cash balances at a minimum.

WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

PROGRAM POLICY NOTICE NO. 7

EFFECTIVE DATE: 1/11/2019

SUBJECT: General Accounting Policy

The Northern Area Local Workforce Development Board (NALWDB) will maintain the following accounting policies:

- Prepare financial statements on a monthly basis using the accrual method of accounting disclosing revenue and expenses by funding stream as established by WIOA (provided under contract with fiscal agent).
- Prepare an annual budget for Board Operations as well as sub-recipient/contractor payments
- Use capital asset capitalization thresholds established by the State of New Mexico.
- Establish travel and per-diem policies and procedures
- Establish procurement policy for the expenditure of funds in accordance with the cost principles of 2 CFR 200 as it applies to not-for-profit organizations.
- Procure the annual services of an independent public accountant to conduct a financial and compliance audit of the operations of the NALWDB under the New Mexico State Audit Act and the federal Single Audit Act and Uniform Guidance.

WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

PROGRAM POLICY NOTICE NO. 8

EFFECTIVE DATE: 1/11/2019

SUBJECT: Segregation of Duties for Fiscal Transactions

Purpose: To identify the fiscal agent and AE staff involved in processing receipts and disbursement transactions. One individual is NOT solely responsible for requesting, authorizing and issuing payments or checks.

Procedure: Board Operations

The Administrative Assistant/Program Support specialist procures goods and services based on approved budget. Executive Director approves the expense. Approved payment voucher with supporting documentation is forwarded to fiscal agent for entry in the general ledger, allocation to proper funding streams and expense categories (based on approved cost allocation plan) and printing and signing of checks to accompany voucher. The vouchers are entered in the general ledger by Keith Sorensen (employees of fiscal agent) and he prepares checks for payment. The expense vouchers, printed checks, cost allocation worksheet and general ledger are forwarded to Rick (employee of fiscal agent) for review of proper expense entries to the cost allocation spreadsheet and the general ledger. The vouchers are also reviewed for proper budget authority and allowability and adequate supporting documentation before the checks are signed by Rick. The vouchers, checks and a copy of the check register for checks issued are returned to Sara for mailing to vendors. Sara and Keith are not authorized to sign checks. In addition, blank checks are never signed.

Sub-grantee Payments

Board approves service provider contracts based on responses to requests for proposals. NALWDB program managers review requests for payments from service providers and approve for payment based on review of submitted service provider expense reports. The approved request for payment is then submitted to fiscal agent for processing. The recording to the accounting records is similar to the process described above. The fiscal agent maintains a summary of payments made to service providers to ensure that the contract is not exceeded.

The following individuals are responsible for the six areas that require segregation of duties:

- 1) **Receiving and depositing remittances** (paper checks are received by Administrative Assistant; deposit prepared by Fiscal Agent Staff Accountant; deposit slip and check(s) delivered to bank by Fiscal Agent Partner. Electronic funds from DWS are directly deposited to NALWDB bank account.)
- 2) **Authorizing Disbursements** (Executive Director approves all operating expenses; Program managers approve service provider expenses; Fiscal Agent Partner signs the checks)
- 3) **Preparing checks** (Fiscal Agent Staff Accountant prepares the checks; Fiscal Agent Partner reviews before signing)
- 4) **Signing checks after comparing them with authorizations and supporting documents** (Fiscal Agent Partner)
- 5) **Reconciling bank accounts and posting the General Ledger or any subsidiary ledger affected by cash transactions (should not have access to or control blank check stock)** Fiscal Agent Staff Accountant reconciles account and reviewed by Fiscal Agent Partner. Blank check stock is kept in locked cabinet.
- 6) **Initiating or preparing invoices** (Administrative Assistant) Invoice is not recorded or paid unless it flows through the process described above.

Segregating these duties further would require the utilization of additional staff and in managements opinion would not be justifiable because the additional cost associated with the change would exceed the benefits derived from doing so.

This policy manual and the policies contained herein rescind any policy previously in effect on regarding financial policy and procedures.



NALWDB Board Chairman

1/11/19
Date



**WORKFORCE INNOVATION AND OPPORTUNITY ACT
(WIOA)**

PROGRAM POLICY NOTICE NO. 9

EFFECTIVE DATE: JANUARY 11, 2019

SUBJECT: ELECTRONIC FILE

REFERENCES.

NMDWS State Technical Assistance Guide, Electronic File Management

PURPOSE.

This document provides guidance for uniform, paperless documentation of electronic records including participant files and other documents along with instructions on protecting participant information. This guidance provides instruction for the collection, dissemination, storage, and protection of information contained within digital files.

BACKGROUND.

The Northern Area Local Workforce Development Board (NALWDB) has transitioned to paperless record keeping by using an electronic document imaging and storage system. The NALWDB elects to first utilize electronic documents and requires electronic verification of eligibility requirements. The New Mexico Workforce Connection Online System (NMWCOS) allows internal and external access to provide all servicing partners the means to efficiently administer services to their participants. The One-Stop Operator shall ensure that the use of paperwork is reduced to a minimum. The electronic information will be made available to U.S. Department of Labor (USDOL) or State auditors or monitors who need access to carry out their official duties. Information will be made available by granting full access to the NMWCOS system.

GUIDANCE.

A. Medical Records

Currently, medical records containing information protected under the HIPM Act of 1996 - such as health status, provision of health care, or payment for health care will be referenced in case notes as appropriate and maintained in a paper format to be made available as needed for monitoring and auditing purposes. The NMWCOS vendor is in the process of developing an enhancement to the document imaging module that will allow for

suppression of sensitive documents that would only be accessible persons granted access to the documents through their security profile. When this becomes available the documents will be uploaded under the appropriate protocols for the module.

B. Data Validation

The NALWDB is required to establish procedures to ensure the information contained in the WIOA federal reports is valid and reliable. Data validation is the process intended to review participant files for accuracy and compliance. Eligibility and verification documentation are reviewed in this process. Additionally, the NALWDB, in concert with the New Mexico Department of Workforce Solutions (NMDWS), requires that the grant sub-recipients maintain appropriate participant documentation for data validation. The NALWDB requires these to be maintained in the document imaging module of the NMWCOS. This procedure eliminates the need for paper files to be provided by staff in the field, allowing the NALWDB monitoring staff, the NMDWS and USDOL to virtually validate supporting documentation. The NALWDB staff will work with provider staff to establish a process and guidance to ensure each provider has the tools necessary for compliance with the TEG 39-11, Guidance on Handling and Protection of Personally Identifiable Information (PII) which specifically address the method for uploading and sharing of PII in information management systems.

C. DOCUMENT DELETION

Only under limited circumstances will documents be allowed to be deleted from an applicant's electronic file. The process for deleting a document will be performed by the NALWDB Program staff. Program staff should submit a request for the deletion along with the reason for the deletion. The NALWDB Program staff reviews requests for deletion of documents and if determined appropriate, will perform the document deletion.

D. RECORD MAINTENANCE

Subrecipients of WIOA funds shall keep records that are sufficient to permit the preparation of reports and to permit the tracking of funds to a level of expenditure adequate to ensure that the funds have not been spent on disallowable activities. Although digital files are intended to replace paper documents, records must be maintained in a manner that enables staff to produce a tangible paper document in the event they are needed. Staff will maintain records in accordance with the NALWDB, USDOL, and NMDWS which requires the maintenance of records for a period of three (3) years after the last audit resolution. Typically, a period of five (5) years after exit will make all allowances necessary for this.

E. CONFIDENTIALITY OF RECORDS

Data or information acquired by an agency under a confidentiality agreement, to be used exclusively for statistical and/or eligibility determination purposes, shall not be disclosed by an agency in identifiable form for any use other than that purpose statistical purpose. Use of this information is prohibited except with the informed consent of the respondent (Public Law 107-347 Title V Section 512[b][1]). Staff will have a release of information form signed and dated by the participant and the case manager. This form should state that the participant's information may be used for reporting purposes and service delivery design and that the participant's personal information will remain confidential, except as allowable under the

release of information. The release form will be uploaded into the participant file the NMWCOS. This standardized form will be made available by the NALWDB staff and may be used as a stand-alone form or may be incorporated into other release forms used by the staff.

F. FAMILY EDUCATIONAL RIGHTS AND PRIVACY

Educational records are covered under the Family Educational Rights and Privacy Act (FERPA), enacted in 1974. This federal law protects the privacy of student education records. Under this law, students have the right to control disclosure of their education records. Student's education records may be disclosed only with the parent or student's prior written consent, unless (34 CFR 99.31):

- The disclosure is to other school officials, including teachers, within the agency or institution whom the agency or institution has determined to have legitimate educational interests;
- A contractor, consultant, volunteer, or other party to whom an agency or institution has outsourced institutional services or functions may be considered a school official under this paragraph provided that the outside party;
 - Performs an institutional service or function for which the agency or institution would otherwise use employees;
 - Is under the direct control of the agency or institution with respect to the use and maintenance of education records; and is subject to the requirements of §99.33(a) governing an educational agency or institution must use reasonable methods to ensure that school officials obtain access to only those education records in which they have legitimate educational interest. An educational agency or institution that does not oversee physical or technological access controls must ensure that its administrative policy for controlling access to education records is effective and that it remains in compliance with the legitimate educational interest requirement of this section; or
 - The disclosure is, subject to the requirements of § 99.34, to officials of another school, school system, or institution of postsecondary education where the student seeks or intends to enroll, or where the student is already enrolled so long as the disclosure is for purposes related to the student's enrollment or transfer.

Participants who attend training through WIOA funded programs should sign and date a form authorizing the release of education records in order to obtain information or copies of certifications or diplomas from educational institutions for data validation and reporting purposes.

G. LEGAL STATUS OF ELECTRONIC DOCUMENTS

Electronic records submitted or maintained in accordance with procedures developed under this policy, or electronic signatures or other forms of electronic authentication used in accordance with such procedures, shall not be denied legal effect, validity, or enforceability because such records are in electronic form.

This policy rescinds any previous NALWDB policy regarding subject.

INQUIRIES: Contact WIOA Program Manager at 505-986-0363.



NALWDB CHAIR

1/11/19

DATE