



**Workforce Innovation and  
Opportunity Act Policy  
Employment System Administration and Policy**

---

---

Washington envisions a nationally recognized fully integrated One-Stop system with enhanced customer access to program services, improved long-term employment outcomes for job seekers and consistent, high quality services to business customers. In order to achieve this vision, Employment System Administration and Policy sets a common direction and standards for Washington's WorkSource system through the development of WorkSource system policies, information memoranda, and technical assistance.

---

---

**Policy Number:** 5220, Revision 1  
**To:** Washington WorkSource System  
**Effective Date:** July 1, 2015  
**Subject:** Program Income

**1. Purpose:**

To provide guidance on reporting program income and meeting cash management expenditure requirements under the Workforce Innovation and Opportunity Act (WIOA).

**2. Background:**

All recipients of funding under the Workforce Innovation and Opportunity Act (WIOA) must comply with the program income requirements as provided by the U.S. Department of Labor (DOL) and the Washington State Employment Security Department (ESD).

**3. Policy:**

a. Program Income Requirements for Local Workforce Development Boards (LWDBs):

- i. LWDBs or subrecipients generating income under a grant agreement may retain the income earned only if such income is used to support allowable activities under WIOA.
- ii. Program income must be used before requesting cash.
- iii. Program income must be used prior to the submission of the final report for the funding period of the program year to which the earnings are attributable.
- iv. Program income must be returned to ESD if the income cannot be used by the

LWDB.

- v. Program income not used in accordance with the requirements of this section or returned will be recaptured by ESD.
- b. Program Income Requirements for State Subrecipients:
- i. Receipt and disbursement of program income must be reported on the WIOA Quarterly Fiscal Report forms. Expenditure of such program income must meet the requirements set forth in WIOA Title I Policy 5205 Cash Depositories.
  - ii. Program income must be traceable through the entity's financial system.
- c. LWDBs must report program income expended after the grant period if the income was earned during the grant period and must be reflected on grant closeout.
- d. LWDBs must track program income and expenditures on a first-in first-out basis. Therefore, the first dollar of program income spent by LWDBs must be counted against the first dollar of program income that the LWDB earned.
- e. Program income cannot be used to cover disallowed costs.
- f. Any equipment purchased with program income is subject to the requirements set forth in the policies covering property management and inventory.

#### **4. Definitions:**

Program Income - Earning realized from grant-supported activities. Such earnings include interest income and may include, but will not be limited to, income from service and conference fees, commodity sales and rental fees.

Program income will also include earnings that are in excess of costs and realized by public agencies or private non-profit organizations from contracts that are reimbursable awards. Program income will be used to pay for allowable WIOA activities.

#### **5. References:**

All fiscal policies and guidance letters published for WIOA are governed, as appropriate, under:

- [Public Law 113-128](#)
- [2 CFR Part 200.307 Program Income](#)
- [One-Stop Comprehensive Financial Management Technical Assistance Guide \(TAG\) - July 2002](#)
- [Generally Accepted Accounting Principles \(GAAP\)](#)

**6. Supersedes:**

NA

**7. Website:**

<http://wpc.wa.gov/adm/policy>

**8. Action:**

Local Workforce Development Boards and their contractors, as well as Employment Security Regional Directors, should distribute this policy broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

**9. Attachments:**

None.

**Direct Inquiries To:**

*Funds Manager  
Financial and Administrative Services Division  
Employment Security Department  
PO Box 9046  
Olympia, WA 98507  
[ESDGPBudgetQuarterlyEnterpriseReports@ESD.WA.GOV](mailto:ESDGPBudgetQuarterlyEnterpriseReports@ESD.WA.GOV).*

**Direct Other Inquiries To:**

*Employment System Administration and Policy Unit  
Employment System Policy Division  
Employment Security Department  
P.O. Box 9046  
Olympia WA 98506-9046  
(360) 902-9666  
[SystemPolicy@esd.wa.gov](mailto:SystemPolicy@esd.wa.gov)*