**Workforce Investment Act Title I-B  
Washington State Policies**

**SECTION B: Fiscal Controls and Accounting Guidelines**

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*Grantees, subrecipients, and contractors funded under the Workforce Investment Act, (WIA) whether in whole or in part, must abide by the Workforce Investment Act of 1998, the WIA Regulations, all applicable Office of Management and Budget (OMB) Circulars, state regulations in laws and rules (Revised Code of Washington and Washington Administrative Code), Office of Financial Management (OFM) policies, and the Washington State WIA Policies.*

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| **EFFECTIVE DATE: WIA POLICY NUMBER: SUBJECT:** | January 9, 2006 3205 Revision 1 Cash Management |

[BACKGROUND](http://www.wa.gov/esd/1stop/policies/documents/archive/3205rev1.htm#BACKGROUND) | [POLICY](http://www.wa.gov/esd/1stop/policies/documents/archive/3205rev1.htm#POLICY) | [DEFINITIONS](http://www.wa.gov/esd/1stop/policies/documents/archive/3205rev1.htm#DEFINITIONS) | [REFERENCES](http://www.wa.gov/esd/1stop/policies/documents/archive/3205rev1.htm#REFERENCES)

[SUPERSEDES](http://www.wa.gov/esd/1stop/policies/documents/archive/3205rev1.htm#SUPERSEDES) | [WEBSITE](http://www.wa.gov/esd/1stop/policies/documents/archive/3205rev1.htm#WEBSITE) | [INQUIRIES](http://www.wa.gov/esd/1stop/policies/documents/archive/3205rev1.htm#INQUIRIES)

**BACKGROUND**

The Workforce Development Areas (WDAs) and other subrecipients must have systems in place to receive funds after reimbursement requests are submitted as required. The manner in which funds are to be requested, retained and disbursed is noted below. Revision 1 to this policy incorporates two previous separate policies: Number 3210 Cash Management and Interest; and Number 3215 Grants/Contracts Process, which have been rescinded. It has also changed the contact information.

**POLICY**

1. **Eligibility Requirements – Cash Depositories**

The WDA Fiscal Agents and/or state subrecipients may deposit Workforce Investment Act (WIA) funds in the following financial institutions:

a.  A bank insured by the Federal Deposit Insurance Corporation (FDIC).

b.  An institution insured by the Federal Savings and Loan Corporation.

c.  A credit union insured by the administrator of the National Credit Union.

For governmental subrecipients with taxing authority, WIA funds may be deposited with the subrecipient's treasurer.

1. **Use of Minority and/or Women-Owned Banks**

Consistent with the federal and state goal of expanding the opportunities for minorities and women-owned business enterprises, the WDA Fiscal Agents and state subrecipients are encouraged to use minority and/or women-owned banks, under the proviso that the above eligibility requirements are met.

1. **Separate** **Bank Account**

A WDA Fiscal Agent or state subrecipient will be required to maintain a separate insured, interest-bearing bank account.

NOTE:  Exceptions to this policy may be granted in certain conditions and after application to Specialized Accounting Services, Attn:  Kim Anensen .

1. **Interest**

Interest earned on federal funds may be retained up to $250 and shall be used to pay for WIA expenditures and minimize cash requests, where applicable. For WIA Title I-B programs, interest is treated as Program Income, and should be accounted for as per Policy #3220. For reporting purposes interest is identified on the quarterly report forms submitted to Specialized Accounting Services.

1. **Cash Balance**

The Workforce Development Area (WDA) Fiscal Agents and state subrecipients shall minimize the time elapsing between and receipt of WIA funds and disbursement in order to maintain a minimum cash balance as per federal guidelines.

1. **Internal Controls**

The WDA Fiscal Agents and state subrecipients shall maintain an adequate system of internal control to safeguard cash according to generally accepted accounting principles.

1. **Cash Requests**

a)  The WDA Fiscal Agent and/or state subrecipient will request cash on a state of  
     Washington Invoice Voucher, timing each request to coincide with cash needs and  
     assuring no excess cash is drawn.    
  
b)  Disbursement to subrecipients requesting reimbursement on an Invoice Voucher will be  
     processed and transferred by Electronic Fund Transfer (EFT) to the bank chosen the  
     WDA Fiscal Agent and/or state subrecipient, or by warrant or journal voucher  
     dependent upon the entity requesting funds.

1. **Withholding of Payment**

The state may discontinue the current cash needs payments when WDA Fiscal Agents and/or state subrecipients:

a)  Do not follow payment requirements;

b)   Fail to meet project objectives or grant/agreement conditions;

c)  Are indebted to the state of Washington ; and

d)  Use the cash reimbursement method with their subrecipients except for those  
subrecipients under a current correction action plan.

If any of the above conditions a., b., or c. exist, the state may withhold payment until the condition is corrected. The state will provide written notification to the WDA Fiscal Agent and/or state subrecipient before withholding payment. The WDA Fiscal Agent and/or state subrecipient has until the effective date on this notification to petition the state for reconsideration of action. The petition should be sent to:

Assistant Commissioner   
Employment Security Department   
Employment and Training Division   
P. O. Box 9046 - MS 6000   
Olympia , Washington 98507-9046

Upon consideration of this petition, the state will issue a final determination and thus notify the WDA Fiscal Agent and/or state subrecipient.

**DEFINITIONS**   
None

**REFERENCES**

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

* Public Law 105-200
* 20 CFR Part 652
* OMB Circular A-122, Cost Principles for Non Profits
* OMB Circular A-133, Audit of State and Local Government
* OMB Circular A-133, Compliance Supplement
* OMB Circular A-21, Cost Principles for Education Institutions
* OMB Circular A-87, Revised Cost Principles for State and Local Government and Indian Tribal Government
* One-Stop Compliance Financial Management Training Assistance Guide (TAG) issued July 2002.
* Generally Accepted Accounting Procedures (GAAP)
* 29 CFR, Part 97.20 B(7)
* 29 CFR, Part 97.21
* 31 CFR, Part 205

**SUPERSEDES**

Policy #3205, Policy #3210 and Policy #3215

**WEBSITE**

<http://www.wa.gov/esd/policies/title1b.htm>

**DIRECT** **INQUIRIES TO**

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