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

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

*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, 20063230, Revision 1Financial Management  |

[BACKGROUND](file://esd1wbolydev1/policies%24/documents/archive/3230rev1.htm#BACKGROUND) | [POLICY](file://esd1wbolydev1/policies%24/documents/archive/3230rev1.htm#POLICY) | [DEFINITIONS](file://esd1wbolydev1/policies%24/documents/archive/3230rev1.htm#DEFINITIONS) | [REFERENCES](file://esd1wbolydev1/policies%24/documents/archive/3230rev1.htm#REFERENCES)[SUPERSEDES](file://esd1wbolydev1/policies%24/documents/archive/3230rev1.htm#SUPERSEDES) | [WEBSITE](file://esd1wbolydev1/policies%24/documents/archive/3230rev1.htm#WEBSITE) | [INQUIRIES](file://esd1wbolydev1/policies%24/documents/archive/3230rev1.htm#INQUIRIES)

**BACKGROUND**

Revision 1 changes the contact information and adds a reference to the Department of Labor ‘s Financial Management Guide.

**POLICY**

Financial systems shall allow for effective fiscal and internal control and accountability for funds, property, and other assets to ensure they are used solely for authorized purposes.

Accounting systems shall meet and follow the current Generally Accepted Accounting Principles (GAAP) as provided by the National Council on Government Accounting and demonstrate compliance with legal and contractual requirement.

Accounting systems shall follow consistent rules for aggregation of detailed data to summary level.

* Accounting systems will compare budgeted amounts to actual expenditures including proper charging of costs and cost allocations.
* Information pertaining to subgrant and contract awards, obligations, unobligated balances, assets, liabilities, expenditures, income, program income, matching and stand-in costs.
* Permit the tracing of funds to a level of expenditure adequate to establish that funds have not been used in violation of the Act.

Written procedures shall be in place for determining allowability and allocability of grant costs.

Accounting records may be maintained on a cash or modified accrual accounting basis. For reporting purposes only, financial data shall be submitted on an accrued expenditure basis.

All subrecipients shall maintain all data elements used in required federal reports in accordance with established program definitions contained in the Act, regulations, and state policies.

Accounting systems shall provide for accurate, current, and complete disclosure of all expenditures, including but not limited to those from grants, contracts, or agreements. The costs shall be traceable to a level of detail that establishes compliance with WIA regulations.

Annually, each Workforce Development Council (WDC) Fiscal Agent shall provide for an internal audit of its own financial operations in accordance with generally accepted auditing standards for audit of governmental or non-profit organizations, program activities, and functions. A separate external audit is also required in accordance with State Policy No. 3255, WIA Audit Requirements, Reports, and Resolutions.

WDCs are responsible for audits of their subrecipients.

**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 Comprehensive Financial Management Technical Assistance Guide (TAG)- July 2002
* Generally Accepted Accounting Procedures (GAAP)

**SUPERSEDES**

Policy #3230

**WEBSITE**

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

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