

**DATE ISSUED:** September 1<sup>st</sup>, 2022

**TO:** WIOA/MYP/DW Vendors

**FROM:** Workforce Solutions Director

**SUBJECT:** Grant Expenditures

**PURPOSE:** This policy defines a clear process by which WIOA Youth, WIOA Adult, MYP, and Dislocated Worker vendor partners contract expenditures are allowed, reported, and approved. This process should be implemented in accordance with the vendor's contract with Workforce Solutions and as other applicable discretionary workforce program allocations may become available.

**BACKGROUND:** Ramsey County Workforce Solutions (WFS) receives federal and state funds for the delivery of Workforce Development Programs. WFS, as the administrative entity for these funds, must approve any expenditures incurred by contracted providers, and must report such expenditures to the Minnesota Department of Employment and Economic Development or other governing agencies, in accordance with applicable legislation, rules, and regulations.

**POLICY AND GUIDELINES:**

**A. Authorization Process**

1. All requests, reimbursement, and budget modifications must be signed by the agency's authorized official. Each provider will be asked to designate a person who will serve as the secondary signature in the case when the primary signatory is absent. The name and title of the individual must be printed on the line below the signature.
2. A line for a second signature is on the Invoice and Budget Modification. The designated "second signature" is the choice of the provider.
3. Per current procedure, all Invoices and Budget Modifications must be signed, printed, saved as a pdf, scanned, attached, and emailed to [ws.vendors@co.ramsey.mn.us](mailto:ws.vendors@co.ramsey.mn.us) and the agency's assigned Planner by the 10th of the month. Payments are likely processed within 30 days of receipt of invoice.

4. All invoices must be submitted only using WFS' authorized Invoice Form. WFS will not approve submissions without required backup documentation.
5. Use the WFS' Budget Modification Form to request budget line-item changes. The decision to approve or deny the request will be made within 10 working days of submission. WFS may request supplemental information concerning any budget modification request.

### **B. Backup Documentation Required for Reimbursement**

1. A copy of a detailed general or grant ledger is required by WFS for each payment. The ledgers must be submitted monthly along with the invoice. The ledgers should include adjusting/expense corrections journal entries made for the month reimbursement is requested for and must match the amount of reimbursement requested.
2. Detailed information for participant support service expenditures must also be sent along with the invoice. This can be provided in the form of the "Support Service Summary Report" from Workforce One.
3. Itemized expenditures on the Invoice Form must match the backup information.
4. Backup information is required to approve a request for reimbursement. WFS will not approve submissions without required backup information. Additional backup may be requested or required.
5. Additional examples of full supporting documentations that may be requested at any given time by WFS include:
  - Timesheet/Payroll and labor distribution records for each employee charged to the grant or sub-grant
  - Purchase requests and purchase documents
  - Receiving documents/packing slips
  - Copies of receipts and authorizations
  - 3<sup>rd</sup> Party Invoices
  - Cancelled checks

### **C. Submitting Requests for Invoice and Budget Modification**

1. Invoices must be signed by the agency's authorized official and e- mailed along with the backup documentations. Invoices without the appropriate signature and backup information will not be processed.
2. Backup information must be attached to the e-mail. Agencies may report participant support services using an MS Word or Excel.
3. Agencies must submit invoices and the corresponding backup information by e-mail to [ws.vendors@co.ramsey.mn.us](mailto:ws.vendors@co.ramsey.mn.us) and their assigned Planner with the agency name/program name and reporting month included in the subject line.
4. Budget Modification requests must be submitted by e-mail to [ws.vendors@co.ramsey.mn.us](mailto:ws.vendors@co.ramsey.mn.us) and the agency's assigned Planner with the agency/program name and "Budget Modification" included in the subject line.

#### **D. Expenditure Restrictions**

1. Only expenditures made in accordance with the approved budget and in-line with the eligibility and allowability with the program will be reimbursed.
2. All expenditures should be utilized and paid for within the program period to be eligible for reimbursement.
3. Advance prepayments and cash or cash in-kind inventory (e.g., purchase of bus/gas cards) are not eligible for reimbursement until the service or support has been received by the participant.
4. Expenditures are not allowed to be carried over to the next contract year
5. Administrative expenses, indirect cost rate and overhead follow the regulations 2CFR 200.332 and are negotiated at time of contract.

#### **E. Expenditure Categories**

##### Definitions of Cost Categories

Administrative costs and overhead costs are defined by federal grant regulations found in 2CRF200. Administrative costs can be considered indirect costs, or expenses incurred for the common or joint purposes and are general business costs that are related to the day-to-day running of the business. Unlike direct operating expenses, administrative costs cannot be traced and split to a specific cost unit or business activity. Instead, they support the overall activities or program of the business.

Specifically, the following expenditures may include but not limited to “administrative”:

- Accounting, budgeting, financial and cash management functions and staff
- Upper management
- Procurement and purchasing functions and staff
- Property management functions and staff
- Personnel management functions and staff
- Payroll functions and staff
- Audit functions and staff
- Incident reports response functions and staff
- Legal service functions and staff
- Systems, supplies and services, procedures required to carry out the above administrative functions such as rent, utilities, insurance and office supplies.
- Travel costs incurred for official business related to the above administrative functions and staff

Youth Participant Wages and Fringe Benefits – Wages and benefits paid directly to youth participants while engaged in program activities. For WIOA Youth budgeting and reporting only, these expenses are itemized separately on the monthly Reimbursement Payment Request (RPR) form/Financial Status Report (FSR) form for In-School Youth (ISY) and Out-of-School Youth (OSY).

Youth Work Experience Staff Costs – Costs associated with staff recruiting, training and/or monitoring worksites where WIOA Youth work experience participants are placed. Staff wages and fringe should be allocated on a pro-rated basis (as appropriate), with the remaining portion of staff wages and fringe allocated to “Direct Services to Youth” category. This category applies to WIOA Youth funds ONLY; these expenses are itemized separately on the monthly Reimbursement Payment Request (RPR) form/Financial Status Report (FSR) form for In-School Youth (ISY) and Out-of-School Youth (OSY).

Career Services: Career Services are defined by WIOA Final Rules and Regulations (20 CFR 678.430 and 20 CFR 680.100 – 195) and include eligibility determination, outreach and intake, initial skill assessments, job search and placement assistance, career counseling, workshops, recruitment, coordination of activities with other programs, job vacancy listings, work experience/internships, prevocational activities and work readiness activities. Career services include Basic Career Services, Individualized Career Services, and Follow-up Services. All types of career services should be reported together using cost category 857 on RPRs/FSRs. See DEED’s Allowable Activities policy for more information. Career Services activities include: [more information under each category listed here but I did not include] Individual Plan Development, Staff Assisted Assessments, Staff Assisted Job Search, Career Counseling, Work Experience, Transitional Jobs, Pre-Vocational Services, Work Readiness Services/Workforce Preparation Activities.

Direct Customer Training Services: Training services, when determined appropriate, must be provided either through an Individual Training Account (ITA) or through a separate training contract. Training services must be provided by a provider listed on the State Eligible Training Provider and Program List (ETPL) for federal funds or must be Office of Higher Education (OHE)-compliant for state funds, unless the training is on-the-job training, customized training, and incumbent worker training, which are excluded under federal law and state policy. If any WIOA funds are used for any of participant’s activities, even if they are accessing state funds for training and WIOA funds for other services, the training must be listed on the ETPL per federal requirements. Direct Customer Training costs include any tuition, books, fees, on-the-job training reimbursements, participant wages & fringes, and other training services provided directly on the participant’s behalf. Staff costs cannot be paid for using Direct Customer Training cost code 838 and should be included under Career Services cost code 857 on RPRs/FSRs. See DEED’s Allowable Activities policy for additional requirements. Direct Customer Training Activities include: [more information under each category listed here but I did not include] Classroom (Credentialed) Training, Customized Training, Incumbent Worker Training, Non-Credentialed Training, OJT Public or Private, Registered Apprenticeships.

Direct Services to Youth – Costs associated with providing direct service to youth, EXCLUDING costs of youth participant wages and fringe benefits, support services and (WIOA Youth funds only) Individual Training Accounts for OSY or ISY. Wages and fringe benefits for staff who provide direct services to youth participants should be included in this cost category. Stipends provided to participants for non-training activities should be included in this category. For WIOA Youth budgeting and reporting only, these expenses are itemized separately on the monthly Reimbursement Payment Request (RPR) form/Financial Status Report (FSR) form for In-School Youth (ISY) and Out-of-School Youth (OSY).

Support Services – Items that are necessary for a youth to participate in WIOA or MYP, such as transportation, clothing, tools, childcare, housing/rental assistance, school-related expenses, etc. These expenses may be paid directly to the youth or to a third-party vendor. For WIOA Youth budgeting and reporting only, these expenses are itemized separately on the monthly Reimbursement Payment Request (RPR) form/Financial Status Report (FSR) form for In-School Youth (ISY) and Out-of-School Youth (OSY).

Other Services – This category should be used only for reporting program expenditures that otherwise do not necessarily fit in one of the other categories. WDAs using this category should be prepared to summarize and explain how these funds are being used. This category applies to WIOA Youth funds ONLY; these expenses are itemized separately on the monthly Reimbursement Payment Request (RPR) form/Financial Status Report (FSR) form for In-School Youth (ISY) and Out-of-School Youth (OSY). Any costs associated with “training” should be categorized under “In-School Training” or “Out-of-School Training” as appropriate (see below).

In-School and Out-of-School Youth Training – Funds used for paying costs associated with each WIOA Youth participant receiving training services. This can include everything from online, self-paced learning of basic work readiness skills (for instance), all the way up to funding for participants working towards a WIOA-recognized credential at a post-secondary institution on the Eligible Training Provider List. Appropriate costs may include tuition, fees, books and other costs associated with the participant’s course of study. Stipends provided to participants for training activities should be included in this category. This category applies to WIOA Youth funds ONLY; these expenses are itemized separately on the monthly Reimbursement Payment Request (RPR) form/Financial Status Report (FSR) form for both In-School Youth (ISY) and Out-of-School Youth (OSY).

#### **F. Request to Unencumber Funds**

1. The County may unencumber the agencies funds for the purpose of reallocating funds to other contractors if the County has determined that the agency will not expend the funds allotted during the term of the agreement. Agencies may also initiate a request to unencumber funds for the same

purpose.

2. Agencies will be required to submit a budget modification form for unencumbered funds.
3. Planner will communicate with agencies once budget modification is approved.
4. Agencies will adjust budget on their monthly invoice to reflect the approved budget modification.

**G. Fiscal Monitoring**

1. Detailed fiscal monitoring will be completed annually as stated on 2CFR.200 either at agency locations or via online meeting platforms. Ramsey County Fiscal will notify agencies and provide expectations and details of the audit.
2. Annually, the provider is required to submit a copy of their certified financial audit as well as a current Certificate of Insurance to Ramsey County.

**EFFECTIVE DATE:** September 1<sup>st</sup>, 2022

**CONTACT PERSON:** Agency Planner