

State Policy

Workforce Innovation and Opportunity Act (WIOA)

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	Fiscal Management
	Effective date
	July 24, 2017
	Supersedes
	Financial Request and Reporting System Policy (effective date May 22, 2017)

Quarterly Reporting and the Financial Request and Reporting System

REFERENCE

Federal and state laws, regulations, rules, and other guidance and documentation relied upon for the development of this policy are cited in footnotes.

CHANGES

This policy supersedes and cancels the State's¹ Financial Request and Reporting System policy (effective date May 22, 2017).

In addition, this policy establishes and implements the following material changes to the superseded policy:

- The title of the policy has been revised to clarify its focus.
- The section on WIOA² Title IB (Youth, Adult, and Dislocated Worker) program expenditure and cap requirements (formerly Section I) has been removed and will be incorporated into another policy.
- The requirement to enter obligations into the Financial Request and Reporting System (RRS) has been removed, along with related provisions.

¹ The term "State" refers to the Nebraska Workforce Development Board and the Nebraska Department of Labor (acting on the Governor's behalf pursuant to the Governor's Executive Order No. 15-03).

² WIOA refers to the Workforce Innovation and Opportunity Act of 2014.

- Reporting of obligations is now required only as part of the quarterly financial report.
- Specific steps for requesting WIOA Title IB program funds through RRS (formerly Section II(b)(1)) has been removed. RRS user guides are available for download within RRS.
- Email addresses for submission of quarterly financial reports have been updated.
- Timelines (*i.e.*, due dates) for submission of quarterly financial reports have been updated to reflect a true thirty (30) day due date following the close of each reporting quarter.
- The table of examples of obligations (formerly Table 4) has been moved to APPENDIX I under the definition of [obligations](#) as Table 2.
- The section on accessing RRS (formerly Section III) and the appendix containing the User Account Access and Deletion Request Form (formerly APPENDIX I) have been removed. RRS user guides are available for download within RRS and requests relating to RRS are addressed in [Section II\(a\)](#).
- [Section II\(a\)](#) provides updated information on requesting technical assistance with RRS.

BACKGROUND

The Nebraska Department of Labor (NDOL) must report financial data on a quarterly basis using the ETA-9130 Financial Reports regarding use of WIOA Title IB program funds.³

Local workforce development boards (local boards) must report to NDOL on use of WIOA Title IB program funds according to the timelines established in [Section I\(b\)](#).⁴

ACTION

This policy is final after a thirty (30) day review period. Questions and comments must be submitted in writing to the WIOA policy mailbox at ndol.wioa_policy@nebraska.gov.

POLICY

The purpose of this policy is to:

- establish quarterly financial reporting requirements and timelines;
- establish requirements for requesting WIOA Title IB funds;

³ 20 CFR § 683.300(a); TEGL 2-16

⁴ 20 CFR § 683.300(b) and (c) (2)

- describe corrective action, sanctions, and the requirement to repay funds in the event of substantial violation of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200);⁵ and
- identify the processes for:
 - appealing imposed sanctions relating to violation of the requirements of the Uniform Guidance; and
 - requesting an administrative hearing.

This policy is organized in four (4) sections and three (3) appendices.

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Section I. Financial Reporting Requirements and Timelines

Each local board must submit quarterly financial reports to Kim Schreiner, Controller, Financial Services Division, NDOL by email at kim.schreiner@nebraska.gov and the WIOA policy mailbox at ndol.wioa_policy@nebraska.gov according to the timelines described in [Section I\(b\)](#), Table 1.

Financial data provided by local area staff in quarterly financial reports is used as part of NDOL's mandatory quarterly submission of ETA-9130 Financial Reports on local area use of WIOA Title IB program funds.⁶

Failure to submit quarterly financial reports:

- constitutes a violation of the local board's obligation to provide financial reports on a quarterly basis, as required under 20 CFR § 683.300(c)(2); and
- requires corrective action.⁷

⁵ The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Parts 200 and 2900) are commonly referred to as the Uniform Guidance.

⁶ 20 CFR § 683.300(a); TEGL 2-16

⁷ Refer to [Section III](#) for information on corrective action.

(a) Local Area Reporting and Record Retention

Each local board must submit five (5) individual quarterly reports:

- one (1) for the Youth program; and
- for each of the Adult and Dislocated Worker programs, two (2) quarterly reports:
 - one (1) detailing use of program year (base) funds; and
 - one (1) detailing use of fiscal year (advance) funds.

Quarterly financial reports submitted by local area staff must include financial data and supporting documentation detailing:⁸

- cash on hand (see [Section I\(a\)\(1\)](#) for information on cash on hand reporting);⁹
- obligations;¹⁰
- expenditures;¹¹
- matching funds (see [Section I\(a\)\(2\)](#) for information on matching funds reporting);
- program income earned (see [Section I\(a\)\(3\)](#) for information on program income reporting);¹² and
- indirect costs.¹³

For each required quarterly report, the required financial data and acceptable forms of supporting documentation are described in [APPENDIX II](#).

(1) Cash on Hand Reporting

The local area amount of cash on hand is automatically calculated by subtracting local area cash disbursements (*i.e.*, expenditures) from cash receipts (*i.e.*, funds drawn down through RRS). For that reason, quarterly reports do not need a specific line item for cash on hand.

(2) Matching Funds Reporting

Federal funds awarded for WIOA Title IB programs are formula based and do not include matching funds. For that reason, quarterly reports should include a line item for matching funds that indicates *not applicable* or some other similar indication.

⁸ 20 CFR § 683.300(c)(4) – (5)

⁹ Refer to APPENDIX I for the definition of [cash on hand](#).

¹⁰ Refer to APPENDIX I for the definition of [obligations](#).

¹¹ Refer to APPENDIX I for the definition of [expenditures](#).

¹² Refer to APPENDIX I for the definition of [program income](#).

¹³ Refer to APPENDIX I for the definition of [indirect costs](#).

(3) Program Income Reporting

Financial data reported on program income must be reported on an accrual basis and cumulative by fiscal year of appropriation.¹⁴

(4) Quarterly Report Retention

Each local board must retain each quarterly report for five (5) years after the date of submission of final quarterly report for the applicable program year.¹⁵

(b) Timelines

Quarterly financial reports must be submitted no later than thirty (30) calendar days after the end of each quarter. Due dates for submission of quarterly financial reports are listed in Table 1.

Table 1. Due dates for quarterly financial reports

Reporting quarter	Due date
Quarter 1 (July – September)	October 30
Quarter 2 (October – December)	January 30
Quarter 3 (January – March)	April 30
Quarter 4 (April – June)	July 30

Section II. Requesting WIOA Title IB Funds

A completed RRS fiscal report and supporting documentation must be submitted before any WIOA Title IB funds are released to the local area for:

- expenses previously incurred and paid; or
- expenses that will be incurred and paid in the week following the request for funds.¹⁶

Local boards must submit requests for payments at least once per calendar month. Requests for funds may be submitted more frequently but not more than once per week.

Procedures for requesting payment through RRS are provided in user guides within RRS.

(a) Technical Assistance with RRS

User guides are available for download within RRS.

NDOL will provide technical assistance with RRS upon written request.

¹⁴ WIOA Sec. 185(e)(1); 20 CFR § 683.300(c)(5)

¹⁵ State of Nebraska, Secretary of State, “Schedule 124, STATE AGENCIES, GENERAL RECORDS, December 11, 2014, <http://www.sos.ne.gov/records-management/pdf/124-state-agencies-general-records-20141230.pdf>, [accessed July 21, 2017]

¹⁶ Federal cash must be drawn solely to accommodate immediate needs pursuant to US Department of Treasury regulations [US Department of Labor, “US Department of Labor Employment and Training Administration Financial Report Instructions ETA-9130 – Basic,” <https://doleta.gov/grants/pdf/ETA-9130-Basic.pdf> [accessed July 17, 2017]].

Requests for technical assistance on RRS must be submitted by email to brian.potters@nebraska.gov, including requests for establishing and removing access to RRS for local area staff.

Section III. Corrective Action, Sanctions, and Repayment

(a) Corrective Action

If NDOL identifies any substantial violation of the Uniform Guidance by a local board or local area staff through financial or compliance audits, or otherwise, NDOL must require prompt corrective action by the local board.¹⁷

(b) Sanctions

If a local board fails to take corrective action required by NDOL, NDOL must impose the following sanctions:¹⁸

- issue a notice of intent to revoke approval of all or part of the local board's local plan; or
- impose a reorganization plan, which may include:
 - decertifying the local board;
 - prohibiting the use of eligible training providers by the local area;
 - selecting an alternative entity to administer the affected WIOA Title IB program in the local area;
 - merging the local area into one (1) or more other local areas; or
 - making other changes as the Secretary of the US Department of Labor (Secretary) or NDOL determines necessary to secure compliance.

(c) Repayment

If the Secretary requires NDOL to repay funds as a result of a determination that a local board has expended funds in a manner contrary to the requirements of WIOA Title IB, NDOL may deduct an amount equal to the misexpenditure from subsequent program year¹⁹ allocations to the local area from funds reserved for the administrative costs of the local WIOA Title IB program involved.²⁰

¹⁷ 20 CFR § 683.410(b)(4)

¹⁸ WIOA Sec. 184(b)(1)(A) – (B)

¹⁹ *Subsequent program year* refers to the program year following the program year during which the determination of misexpenditure was made [WIOA Sec. 184(c)(4)].

²⁰ WIOA Sec. 184(c)(3) – (4); 20 CFR § 683.410(b)(5)

Section IV. Appeals and Administrative Hearings

A local board found in substantial violation of the Uniform Guidance and notified by NDOL that either (i) all or part of its local plan will be revoked or (ii) a reorganization will occur may appeal the sanction(s) to the Secretary.²¹ Sanctions will not become effective until the:²²

- time for appeal has expired; or
- Secretary has issued a decision.

(a) Appeal Procedure²³

The appeal must be filed no later than thirty (30) calendar days after receipt of written notification of the revoked local plan or imposed reorganization. The appeal must be submitted by certified mail, return receipt requested, to:

Secretary
US Department of Labor
200 Constitution Avenue NW
Washington, DC 20210
Attention: ASET

A copy of the appeal must be provided simultaneously to NDOL by certified mail, return receipt requested, to:

Commissioner
Nebraska Department of Labor
PO Box 94600
550 South 16th Street
Lincoln, Nebraska 68509

The Secretary must notify the local board and NDOL in writing of the Secretary's decision within forty-five (45) calendar days after receipt of the appeal. In making this determination, the Secretary may consider any comments submitted by NDOL in response to the appeal.

(b) Administrative Hearing Procedure

If the local board is dissatisfied with the Secretary's final determination, the local board may appeal (*i.e.*, request a hearing) to the US Department of Labor, Office of Administrative Law Judges.²⁴

Failure to request a hearing within twenty-one (21) calendar days of receipt of the Secretary's final determination constitutes the local board's waiver of its right to an administrative hearing.²⁵

²¹ 20 CFR § 683.650(a)

²² 20 CFR § 683.650(b)

²³ 20 CFR § 683.650

²⁴ 20 CFR § 683.800(a)

²⁵ 20 CFR § 683.800(b)

The request for a hearing must specifically state those issues or findings in the final determination upon which review is requested.²⁶

The request for a hearing must be transmitted by certified mail, return receipt requested, to:²⁷

Chief Administrative Law Judge
US Department of Labor
Suite 400
800 K Street NW
Washington, DC 20001

A copy of the request for a hearing must be provided simultaneously to the US Department of Labor official who issued the determination to the local board.²⁸

DISCLAIMER

This policy is based on NDOL's reading of the applicable statutes, regulations, rules and guidance released by the US Government and the State of Nebraska. This policy is subject to change as revised or additional statutes, regulations, rules and guidance are issued.

²⁶ 20 CFR § 683.800(c)

²⁷ 20 CFR § 683.800(d)

²⁸ 20 CFR § 683.800(d)

APPENDIX I. Definitions

1. cash on hand²⁹

The term *cash on hand* refers to the difference between cash receipts and cash disbursements. This is calculated by subtracting local area cash disbursements (*i.e.*, expenditures) from cash receipts (*i.e.*, funds drawn down through RRS).

2. contract³⁰

Contract means a legal instrument by which a non-Federal entity, such as a local board, purchases property or services needed to carry out the project or program under a Federal award.

Example: A local board enters into a *contract* for cleaning services for an American Job Center.

Contract does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a *Federal award* or *subaward*, as defined in this appendix.

3. contractor³¹

Contractor is an entity that receives a contract.

4. costs of administration³²

The term *costs of administration* are the costs associated with performing the following functions:

- a. performing the following overall general administrative functions and coordination of those functions under WIOA Title IB:
 - i. accounting, budgeting, financial and cash management functions;
 - ii. procurement and purchasing functions;
 - iii. property management functions;
 - iv. personnel management functions;
 - v. payroll functions;
 - vi. coordinating the resolution of findings arising from audits, reviews, investigations and incident reports;

²⁹ US Department of Labor, “US Department of Labor Employment and Training Administration Financial Report Instructions ETA-9130 – Basic,” <https://doleta.gov/grants/pdf/ETA-9130-Basic.pdf> [accessed July 17, 2017]

³⁰ 20 CFR § 675.300

³¹ 20 CFR § 675.300

³² 20 CFR § 683.215(b)

- vii. audit functions;
 - viii. general legal services functions;
 - ix. developing systems and procedures, including information systems, required for these administrative functions; and
 - x. fiscal agent responsibilities;
- b. performing oversight and monitoring responsibilities related to WIOA Title IB administrative functions;
 - c. costs of goods and services required for administrative functions of the program, including goods and services such as rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space;
 - d. travel costs incurred for official business in carrying out administrative activities; 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 systems.

No more than ten (10) percent of the funds allocated for each WIOA Title IB program may be used to cover the costs of administration.³³

5. encumbrance³⁴

Encumbrance means an anticipated expenditure or funds restricted for anticipated expenditures. Encumbrances are not obligations.

Encumbrances are used by organizations to account for projected or budgeted costs that may come due in a current period or a future period.

Examples of encumbrances may include:

- rent that will be paid for the upcoming year (see discussion below);
- staff salaries that will be paid when the staff actually performs the work; and
- projected training costs for participants that are in year-long or multi-year training programs.

³³ Refer to NDOL's current policy on administrative cost limitations.

³⁴ TEGL 28-10

The above examples are encumbrances because:

- they do not meet the more stringent standards of being an obligation, such as being definite and certain and creating a legal liability, and
- costs associated with the examples may not be paid in advance of the actual work, occupancy, or registration for training.

6. expenditures

Expenditures means charges made to the local area's projects or programs in support of authorized WIOA Title IB activities.³⁵

7. Federal award³⁶

For purposes of this policy, *Federal award* refers to, depending on the context, either the:

- Federal financial assistance that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity; or
- instrument setting forth the terms and conditions of Federal financial assistance, including a grant agreement, cooperative agreement, other agreement for assistance.

8. indirect costs³⁷

The term *indirect costs* means those costs incurred for common or joint purposes. Indirect costs are those that benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to WIOA Title IB programs and other activities as appropriate, indirect costs are those remaining to be allocated to the cost objectives that benefitted from the expenditures.

Because of the diverse characteristics and accounting practices of governmental units, the types of costs which may be classified as indirect costs cannot be specified in all situations. However, typical examples of indirect costs may include:

- certain local-wide central service costs;
- cost associated with general administration of the non-Federal entity's (e.g., local area's) accounting and personnel services performed within the non-Federal entity, depreciation on buildings and equipment;
- costs of operating and maintaining facilities; and
- certain costs of administration.³⁸

³⁵ TEGL 28-10

³⁶ 2 CFR § 200.38

³⁷ 2 CFR Part 200, Section A of Appendix VII – States and Local Government and Indian Tribe Indirect Cost Proposals

³⁸ Refer to the definition of [costs of administration](#) in this appendix.

In the context of a WIOA Title IB quarterly report, indirect costs represent a portion of the total reported quarterly expenditures.

Indirect costs are charged to WIOA Title IB funds based on an indirect cost rate. Each local area has an approved indirect cost rate.³⁹

A cost may not be allocated to a WIOA Title IB program as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to the WIOA Title IB program as a direct cost.

9. obligations⁴⁰

When used in connection with the local board's utilization of WIOA Title IB funds, the term *obligations* means (i) orders placed for property and services, (ii) contracts and subawards made, and (iii) similar transactions during a given period that require payment by the local board during the same or a future period.

An obligation occurs when a binding agreement has been entered into and may occur at the time the services are rendered or before services are rendered. Examples of obligations are listed in Table 2. The list of examples in Table 2 is not an exhaustive list of all possible forms of obligations.

Table 2. Examples of obligations

Description
1. orders placed or contracts made for property, such as signage or printed materials
2. orders placed or contracts made for services, such as cleaning or facility security services
3. contracts or subawards ⁴¹ to a one-stop operator
4. contracts or subawards to a service provider for the administration of WIOA Title IB program activities
5. purchase orders for property and services, such as those described in items 1 and 2
6. similar transactions during a given period that require payment during that same or future period

Obligations are not:⁴²

- projected staff time;
- future or projected rent payments;
- future or projected training;⁴³ or
- items that are budgeted during the period of the grant award.

³⁹ For more information on indirect cost rates, refer to the implementation guide for OMB Circular A-87, "A Guide for States and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government," which is accessible at https://www.dol.gov/oasam/boc/ASMB_C-10.pdf.

⁴⁰ 2 CFR § 200.71; TEGL 2-16; TEGL 28-10

⁴¹ Refer to APPENDIX I for the definition of [subaward](#).

⁴² TEGL 28-10

⁴³ Training refers to training provided to WIOA Title IB program participants.

In other words, *obligations* are legal commitments to pay – not plans, budgets, promises, or encumbrances.

10. pass-through entity⁴⁴

Pass-through entity means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Example 1: When NDOL provides a subaward to a local board for the administration of its WIOA Title IB Youth program, NDOL is the pass-through entity and the local board is the subrecipient.

Example 2: When a local board provides a subaward to a service provider for the administration of its WIOA Title IB Youth program, the local board is the pass-through entity and the service provider is the subrecipient.

11. period of performance⁴⁵

For WIOA Title IB grant funds expended by a local area, the *period of performance* is the program year during which the funds are first awarded plus the succeeding program year.

12. program income⁴⁶

For purposes of this policy, the term *program income* means gross income earned that is directly generated by a supported WIOA Title IB program activity, or earned as a result of the subaward for WIOA Title IB program activities, during the period of performance, except as described in [Section 12.a](#).

Program income includes, but is not limited to:

- income from fees for services performed;
- the use or rental of real or personal property acquired under Federal awards;
- the sale of commodities or items fabricated under a Federal award;
- license fees and royalties on patents and copyrights; and
- principal and interest on loans made with Federal award funds.

Program income does not include:

- interest earned on advances of Federal funds;
- rebates, credits, or discounts; or
- interest earned on rebates, credits, or discounts.

⁴⁴ 2 CFR § 200.74

⁴⁵ 20 CFR § 683.110(c)

⁴⁶ 2 CFR § 200.80

a. income after the period of performance⁴⁷

There are no Federal requirements governing the disposition of program income earned after the end of the period of performance, unless regulations or the terms and conditions of the Federal award provide otherwise.⁴⁸

13. subaward⁴⁹

Subaward (or *subgrant*) means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Examples of subawards include a:

- subaward to a one-stop operator; and
- subaward to a provider for the administration of a WIOA Title IB Youth program.

Subaward does not include payments to:

- a contractor; or
- an individual who is a beneficiary of a Federal program, such as a WIOA Title IB Youth program participant.

14. subrecipient⁵⁰

Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program, including the:

- Greater Lincoln Workforce Development Board;
- Greater Nebraska Workforce Development Board; and
- Greater Omaha Workforce Development Board.

Subrecipient may also refer to any entity to which a local board provides a subaward for the administration of some or all of the requirements of the subaward provided to the local board by NDOL for administration of WIOA Title IB programs.

The term *subrecipient* does not include an individual who is a beneficiary, such as a WIOA Title IB Dislocated Worker program participant.

⁴⁷ 2 CFR § 200.307(f)

⁴⁸ Refer to the local board's grant agreement for WIOA Title IB funds to determine if the terms and conditions of the Federal award.

⁴⁹ 20 CFR § 675.300

⁵⁰ 2 CFR § 200.93

APPENDIX II. Required Financial Data and Supporting Documentation

The required financial data and acceptable forms of supporting documentation for quarterly reports are described in Table 3.

Table 3. Quarterly reports – required financial data and acceptable supporting documentation

Reporting category	Required financial data	Acceptable supporting documentation
Cash on hand	amount is automatically calculated by NDOL: cash receipts (funds drawn down through RRS) – cash disbursements (reported expenditures) = cash on hand	supporting documentation not required
Obligations	a listing of all newly incurred and ongoing obligations	completed Obligations Report ⁵¹
Expenditures	total amount of expenditures during the reporting quarter	copies of invoices or other evidence of the expenditures
Matching funds	total amount of matching funds received during the reporting quarter	written documentation that clearly details the source and amount of matching funds
Program income	total amount of program income earned during the reporting quarter	written documentation that clearly details the source and amount of program income
Indirect costs	total amount of indirect costs during the reporting quarter based on the local board's approved indirect cost rate	supporting documentation not required

As stated in [Section I\(a\)](#) of the policy, each local board must submit five (5) individual quarterly reports:

- one (1) for the Youth program; and
- for each of the Adult and Dislocated Worker programs, two (2) quarterly reports:
 - one (1) detailing use of program year (base) funds; and
 - one (1) detailing use of fiscal year (advance) funds;

⁵¹ The Obligations Report Form is provided as [APPENDIX III](#).

