



## State Policy

## Workforce Innovation and Opportunity Act (WIOA)

Nebraska Department of Labor (NDOL) Office of Employment and Training 550 South 16 <sup>th</sup> Street Lincoln, NE 68508 402.471.2022 <a href="mailto:ndol.wioa_policy@nebraska.gov">ndol.wioa_policy@nebraska.gov</a>	<table border="1"> <tr> <td data-bbox="808 428 1136 493">Policy category</td> <td data-bbox="1136 428 1430 493">Fiscal Management</td> </tr> <tr> <td data-bbox="808 493 1136 556">Effective date</td> <td data-bbox="1136 493 1430 556">March 15, 2018</td> </tr> <tr> <td data-bbox="808 556 1136 663">Supersedes</td> <td data-bbox="1136 556 1430 663">Quarterly Reporting and the Financial Request and Reporting System, Change 1 (effective July 28, 2017)</td> </tr> </table>	Policy category	Fiscal Management	Effective date	March 15, 2018	Supersedes	Quarterly Reporting and the Financial Request and Reporting System, Change 1 (effective July 28, 2017)
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### Quarterly Reporting and the Financial Request and Reporting System, Change 2

## REFERENCE

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

## 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 I program funds.<sup>1</sup> Each local board must report to NDOL on local use of WIOA Title I program funds according to the requirements established in this policy.<sup>2</sup>

## ACTION

This policy supersedes and cancels the State's<sup>3</sup> policy on Quarterly Reporting and the Financial Request and Reporting System, Change 1 (effective date July 28, 2017). Questions and comments on this policy may be submitted in writing to the WIOA policy mailbox at [ndol.wioa\\_policy@nebraska.gov](mailto:ndol.wioa_policy@nebraska.gov).

<sup>1</sup> 20 CFR § 683.300(a); TEGL 2-16

<sup>2</sup> 20 CFR § 683.300(b) and (c) (2)

<sup>3</sup> 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).

Each local board, or its designee, must submit a quarterly report:

- on use of WIOA Title I program funds allocated to its local area;
- using NDOL's WIOA Title I quarterly reporting forms; and
- according to the timelines established in this policy.

In addition, each local board, or its designee:

- must submit requests for disbursements at least once per calendar month; and
- may submit requests for disbursements more frequently than once per calendar month but not more than once per week.

## CHANGES

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This policy establishes the following material changes to the superseded policy on Quarterly Reporting and the Financial Request and Reporting System, Change 1.

- Additional requirements regarding program income have been added to [Section I\(a\)\(1\)](#) and the definition of program income has been revised (refer to [APPENDIX I](#)).
- Additional requirements regarding requests for disbursements have been added to [Section II](#).
- The information in APPENDIX II, Required Financial Data and Supporting Documentation, has been moved into [Section I\(a\)](#) and the appendix has been removed; and APPENDIX III, Sample *Quarterly Reporting Forms* with Instructions, has been removed.

## POLICY

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This policy:

- establishes quarterly financial reporting requirements and timelines;
- establishes requirements for disbursement requests;
- describes requirements regarding corrective action, sanctions, and repayment of funds in relation to substantial violations of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200);<sup>4</sup> and
- identifies processes for appealing sanctions relating to violations of the requirements of the Uniform Guidance and for requesting administrative hearings.

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<sup>4</sup> 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*.

This policy is organized into four sections and one appendix.

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## Section I. Financial reporting requirements and timelines

Each local board must submit quarterly financial reports according to the timelines described in [Section I\(b\)](#). Reports must be submitted by email to Kim Schreiner, Controller, Financial Services Division, Nebraska Department of Labor at [kim.schreiner@nebraska.gov](mailto:kim.schreiner@nebraska.gov) and the WIOA policy mailbox at [ndol.wioa\\_policy@nebraska.gov](mailto:ndol.wioa_policy@nebraska.gov).

Financial data provided by the local board, or its designee, 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 I program funds.<sup>5</sup> 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.

### (a) Local area reporting and record retention

Each local board must submit a quarterly report using NDOL’s WIOA Title I quarterly reporting forms.<sup>6</sup> Quarterly financial reports submitted by local area staff must include financial data and supporting documentation detailing obligations, program income, indirect costs, expenditures, disbursements, cash on hand, and matching funds as described in Table 1.<sup>7</sup>

*Table 1. Quarterly reports – required financial data and acceptable supporting documentation*

Reporting category	Required financial data	Acceptable supporting documentation
Obligations	a listing of all newly incurred and ongoing obligations	completed <i>Obligations Report</i>
Program income	total amount of program income earned during the reporting quarter	written documentation clearly detailing source and amount of program income
Indirect costs	total amount of indirect costs during the reporting quarter based on the local board's Federally-approved indirect cost rate	supporting documentation <u>not</u> required
Expenditures	total amount of expenditures during the reporting quarter	copies of invoices or other evidence of expenditures
Cash on hand	automatically calculated by NDOL	not applicable
Matching funds	Federal funds awarded for WIOA Title I programs DO NOT include matching funds	not applicable

<sup>5</sup> 20 CFR § 683.300(a); TEGL 2-16

<sup>6</sup> The forms are provided by NDOL in Excel format and may be obtained by email request to Eva Bass at [eva.bass@nebraska.gov](mailto:eva.bass@nebraska.gov).

<sup>7</sup> 20 CFR § 683.300(c)(4) – (5)

### (1) Program income reporting

Program income must be reported on an accrual basis and cumulatively by fiscal year of appropriation.<sup>8</sup> In addition to the requirements regarding program income defined in the Uniform Guidance, the following uniform administrative requirements apply to the use of WIOA Title I funds regarding program income.<sup>9</sup>

- The addition method described at 2 CFR § 200.307 must be used for all program income earned.
  - When the cost of generating program income *has been* charged to the program, the gross amount earned must be added to the program under which it was earned.
  - When the cost of generating program income *has not been* charged to the program, the cost of generating program income must be subtracted from the amount earned in order to establish the net amount of program income available for use.
- Any excess of revenue over costs incurred for services provided by a governmental or non-profit entity must be included in program income.
- Revenue resulting from employers' use of local area services, facilities, or equipment to provide employment and training activities to incumbent workers must be included in program income.
- Interest income earned must be included in program income.

Additional forms of program income are described in the definition of program income in [APPENDIX I](#).

### (2) Cash on hand reporting

Cash on hand is automatically calculated by NDOL by subtracting local area expenditures from disbursements.

### (3) Matching funds reporting

Federal funds awarded for WIOA Title I programs are formula based and do not require or include matching funds.

### (4) Quarterly report retention

Each local board must ensure that all quarterly reports submitted to NDOL are retained locally as required under the State's policy on records management.<sup>10</sup>

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<sup>8</sup> 20 CFR § 683.300(c)(5)

<sup>9</sup> 20 CFR § 683.200(c)(6) – (9)

<sup>10</sup> The State's policies are accessible at <https://dol.nebraska.gov/EmploymentAndTraining/LCRWP/WIOA/Policies>.

## (b) Timelines

Quarterly reports must be submitted no later than 30 calendar days after the end of each quarter. Due dates for submission of quarterly reports are listed in Table 2.

*Table 2. 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 disbursements

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The local board, or its designee:

- must submit requests for disbursements at least once per calendar month; and
- may submit requests for disbursements more frequently than once per calendar month but not more than once per week.

WIOA Title I funds are disbursed to the local area only after a completed RRS fiscal report and supporting documentation are submitted to NDOL for:

- expenses previously incurred and paid; and
- expenses that will be incurred and paid in the week following the request for disbursement.<sup>11</sup>

The local board, or its designee, must use funds available from program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional disbursements from NDOL.<sup>12</sup>

### (a) Technical Assistance with RRS

NDOL will provide technical assistance on RRS upon written request. Requests for technical assistance on RRS must be submitted by email to [daniel.allen@nebraska.gov](mailto:daniel.allen@nebraska.gov), including requests for establishing and removing access to RRS for local area staff.

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<sup>11</sup> 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]].

<sup>12</sup> 2 CFR § 200.305(b)(5)

### Section III. Corrective action, sanctions, and repayment

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#### (a) Corrective Action

If NDOL identifies any substantial violation of the Uniform Guidance by a local board, or by local area staff, through financial or compliance audits or otherwise, NDOL must require prompt corrective action by the local board.<sup>13</sup>

#### (b) Sanctions<sup>14</sup>

If a local board fails to take required corrective action, NDOL must impose one of the following sanctions issue a notice of intent to revoke approval of all or part of its 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 local WIOA Title I program;
- merging the local area into one 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 or local area staff expended funds in a manner contrary to the requirements of WIOA Title I, NDOL may deduct an amount equal to the misexpenditure from subsequent program year<sup>15</sup> allocations to the local area from funds reserved for administrative costs of the local WIOA Title I program involved.<sup>16</sup>

### Section IV. Appeals and administrative hearings

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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 to the Secretary.<sup>17</sup> The sanction will not become effective until the time for appeal has expired or Secretary has issued a decision.<sup>18</sup>

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<sup>13</sup> 20 CFR § 683.410(b)(4)

<sup>14</sup> WIOA Sec. 184(b)(1)

<sup>15</sup> *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)].

<sup>16</sup> WIOA Sec. 184(c)(3) – (4); 20 CFR § 683.410(b)(5)

<sup>17</sup> 20 CFR § 683.650(a)

<sup>18</sup> 20 CFR § 683.650(b)

### (a) Appeal Procedure<sup>19</sup>

The appeal must be filed no later than 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. In addition, a copy of the appeal must be provided simultaneously by certified mail, return receipt requested, to: Commissioner, Nebraska Department of Labor, PO Box 94600, 550 South 16<sup>th</sup> Street, Lincoln, Nebraska 68509.

The Secretary must notify the local board and NDOL in writing of the Secretary's decision within 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<sup>20</sup>

If the local board is dissatisfied with the Secretary's final determination, the local board may appeal to the US Department of Labor, Office of Administrative Law Judges by requesting a hearing. Failure to request a hearing within 21 calendar days of receipt of the Secretary's final determination constitutes the local board's waiver of its right to an administrative hearing. The request for a hearing must specifically identify those issues or findings in the final determination upon which review is requested and must be transmitted by certified mail, return receipt requested, to: Chief Administrative Law Judge, US Department of Labor, Suite 400, 800 K Street NW, Washington, DC 20001. In addition, 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.

## DISCLAIMER

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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.

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<sup>19</sup> 20 CFR § 683.650

<sup>20</sup> 20 CFR § 683.800

## APPENDIX I. Definitions

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**PURPOSE.** Definitions in this appendix are provided as supplemental information that supports the provisions of the policy. The terms and phrases defined in this appendix should be read and understood in the context in which they are used in the policy and not as stand-alone information independent of that context.

### 1. contract<sup>21</sup>

*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.

### 2. contractor<sup>22</sup>

*Contractor* is an entity that receives a contract.

### 3. costs of administration<sup>23</sup>

The term *costs of administration* are the costs associated with the functions listed in Table 3.

*Table 3. Costs of administration*

Description
1. Performing the following overall general administrative functions and coordination of those functions under WIOA Title I: a. accounting, budgeting, financial and cash management functions b. procurement and purchasing functions c. property management functions d. personnel management functions e. payroll functions f. coordinating the resolution of findings arising from audits, reviews, investigations and incident reports g. audit functions h. general legal services functions i. developing systems and procedures, including information systems, required for administrative functions j. fiscal agent responsibilities
2. Performing oversight and monitoring responsibilities related to WIOA Title I administrative functions
3. Costs of goods/ services required for administrative functions of WIOA Title I programs, including goods/services such as equipment rental or purchase, utilities, office supplies, postage, and rental/maintenance of office space
4. Travel costs incurred for official business in carrying out administrative functions
5. Costs of information systems related to administrative functions including the purchase, systems development, and operating costs of the systems

### 4. encumbrance<sup>24</sup>

*Encumbrance* means an anticipated expenditure or funds restricted for anticipated expenditures. Encumbrances are not obligations. Encumbrances are used by organizations to account for

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<sup>21</sup> 2 CFR § 200.22

<sup>22</sup> 2 CFR § 200.23

<sup>23</sup> 20 CFR § 683.215(b)

<sup>24</sup> TEGL 28-10



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 (refer to 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.

## 5. expenditures

*Expenditures* means charges made to the local area's projects or programs in support of authorized WIOA Title I activities.<sup>25</sup>

## 6. Federal award<sup>26</sup>

Depending on the context, *Federal award* means 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.

## 7. indirect costs<sup>27</sup>

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 I programs and other activities, indirect costs are those remaining to be allocated to the cost objectives that benefitted from the expenditures. Indirect costs are charged to WIOA Title I funds based on an indirect cost rate.<sup>28</sup> A cost may not be allocated to a WIOA Title I program as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to the WIOA Title I program as a direct cost.

## 8. obligations<sup>29</sup>

When used in connection with the local board's utilization of WIOA Title I 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

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<sup>25</sup> TEGL 28-10

<sup>26</sup> 2 CFR § 200.38

<sup>27</sup> 2 CFR Part 200, Section A of Appendix VII – States and Local Government and Indian Tribe Indirect Cost Proposals

<sup>28</sup> 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](https://www.dol.gov/oasam/boc/ASMB_C-10.pdf).

<sup>29</sup> 2 CFR § 200.71; TEGL 2-16; TEGL 28-10

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. In other words, *obligations* are legal commitments to pay.

#### 9. pass-through entity<sup>30</sup>

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

#### 10. period of performance<sup>31</sup>

For WIOA Title I 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.

#### 11. program income<sup>32</sup>

*Program income* means gross income earned by a non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. *Program income* includes forms of income described in Table 4. The list in Table 4 is not exhaustive.

**Table 4. Forms of program income**

Description
1. Income from the: <sup>33</sup> <ul style="list-style-type: none"> <li>a. use or rental of real or personal property acquired under Federal awards</li> <li>b. sale of commodities or items fabricated under a Federal award</li> <li>c. license fees and royalties on patents and copyrights, subject to the requirements of 37 CFR Part 401</li> <li>d. principal and interest on loans made with Federal award funds</li> </ul>
2. Any excess of revenue over costs incurred for services provided through use of WIOA Title I funds by a governmental or non-profit entity <sup>34</sup>
3. Revenue resulting from employers' use of local area services, facilities, or equipment to provide employment and training activities to incumbent workers <sup>35</sup>
4. Interest income earned on funds received under WIOA Title I <sup>36</sup>
5. Income from fees for services performed, including fees charged for the following business services: <sup>37</sup> <ul style="list-style-type: none"> <li>a. customized screening and referral of qualified participants in training services to employers</li> <li>b. customized services to employers, employer associations, or other employer organizations on employment-related issues</li> <li>c. customized recruitment events and related services for employers including targeted job fairs</li> <li>d. human resource consultation services, including assistance with: <ul style="list-style-type: none"> <li>i. writing/reviewing job descriptions and employee handbooks</li> <li>ii. developing performance evaluation and personnel policies</li> </ul> </li> </ul>

<sup>30</sup> 2 CFR § 200.74

<sup>31</sup> 20 CFR § 683.110(c)

<sup>32</sup> 2 CFR § 200.80

<sup>33</sup> 2 CFR § 200.80

<sup>34</sup> 20 CFR § 683.200(c)(7)

<sup>35</sup> 20 CFR § 683.200(c)(9)

<sup>36</sup> 20 CFR § 683.200(c)(8)

<sup>37</sup> 20 CFR § 678.435(b) – (c) and 678.440. Any fees earned are recognized as program income and must be expended by the partner in accordance with the partner program's authorizing statute, implementing regulations, and Federal cost principles identified in Uniform Guidance, including 2 CFR § 200.3007.

Description
<ul style="list-style-type: none"> <li>iii. creating orientation sessions for new workers</li> <li>iv. honing job interview techniques for efficiency and compliance</li> <li>v. analyzing employee turnover</li> <li>vi. creating job accommodations and using assistive technologies</li> <li>vii. explaining labor and employment laws to help employers comply with discrimination, wage/hour, and safety/health regulations</li> </ul> <ul style="list-style-type: none"> <li>e. customized labor market information for specific employers, sectors, industries or clusters</li> <li>f. developing and implementing industry sector strategies (including strategies involving industry partnerships, regional skills alliances, industry skill panels, and sectoral skills partnerships)</li> <li>g. customized assistance or referral for assistance in the development of a registered apprenticeship program</li> <li>h. developing and delivering innovative workforce investment services and strategies for area employers, including career pathways, skills upgrading, skill standard development and certification for recognized postsecondary credential or other employer use</li> <li>i. assistance to area employers in managing reductions in force in coordination with Rapid Response activities and strategies for aversion of layoffs, including strategies like early identification of firms at risk of layoffs, use of feasibility studies to assess needs of and options for at-risk firms, and delivery of employment and training activities to address risk factors</li> <li>j. marketing of business services to appropriate area employers, including small and mid-sized employers</li> <li>k. assisting employers with accessing local, state, and Federal tax credits</li> </ul>

## 12. subaward<sup>38</sup>

*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.

## 13. subrecipient<sup>39</sup>

*Subrecipient* means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program, such as a local board. *Subrecipient* also refers 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 I programs.

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<sup>38</sup> 20 CFR § 675.300

<sup>39</sup> 2 CFR § 200.93