

**Nevada Department of Employment, Training and Rehabilitation
(DETR)
Workforce Innovation and Opportunity Act (WIOA)
State Compliance Policy (SCP)**

Policy Number: 3.4

Originating Office: DETR; Workforce Investment Support Services (WISS)

Subject: Cash Management

Issued: NEW; replacing Workforce Investment Act (WIA) SCP 3.4

Purpose: To provide Local Workforce Development Boards (LWDBs), Chief Elected Officials (CEOs) and American Job Centers of Nevada (One-Stop Career Center Operators) with the Workforce Innovation and Opportunity Act (WIOA) requirements for cash management.

State Imposed Requirements: This directive may contain some state-imposed requirements. These requirements are printed in ***bold, italic type***.

Authorities/References: Workforce Innovation and Opportunity Act (P.L. 113-128), 2 CFR 200.300-307; CFR §683.100-295; One-Stop Comprehensive Financial Management Technical Assistance Guide Part I and II. Generally Accepted Accounting Principles (GAAP)

ACTION REQUIRED: Upon issuance bring this guidance to the attention of all WIOA service providers, Local Workforce Development Board (LWDB) members and any other concerned parties. Any LWDBs policies, procedures, and or contracts affected by this guidance are required to be updated accordingly.

Background: Expenditure of WIOA funds are allowable only for activities permitted by the WIOA Title 1 and relevant regulations. The Uniform Guidance under Title 2 CFR Part 200 establishes uniform administrative requirements, cost principles, and audit requirements for federal awards.

Policy and Procedure:

I. Cash Forecasting

- A. Cash forecasting identifies specific needs within a specific timeframe and is required of LWDBs and their sub-recipients.
- B. Cash forecasting can be daily, weekly, on some other defined disbursement cycle.
- C. Net Payroll/Payroll Taxes/Fringe Benefits:

1. Net payroll, not gross salaries, should be used for cash forecasting purposes. Normally payroll deductions and tax deposits are disbursed at different times from the payroll dates.
 2. Fringe benefits such as retirement, medical, Federal Insurance Contributions Act (FICA) and Worker's Compensation are also normally paid in a period different from the corresponding payroll dates.
- D. Accrued expenses often will exceed cash disbursements. Cash is not needed to accommodate an accrual until the check written to pay an invoice is paid out by the bank.
- E. Incurring an obligation does not require cash. Cash is only needed when checks written against those obligations are presented at the bank for clearance, or when payment warrants are issued.

II. Cash Management for LWDBs and their sub-recipients

- A. 2 CFR 200.305 states that the non-federal entity must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability as established in this part.
- B. If the LWDB cannot meet the criteria for advance payments or comply with the required cash management standards, then reimbursement is the preferred method.
- C. Grantees must limit requests for cash to the minimum amounts needed and must time their requests to meet actual immediate cash needs.
- D. Grantees/subrecipients will not be eligible for advance funds based on cash forecasting if they are considered "high risk" or "Not Viable" per DETR ESD-Workforce Investment Support Services Fiscal Oversight Monitoring Guide dated August 2015).
- E. Reimbursement is the preferred method of payment if the standards in II A & B are not met (2CFR §200.305 (b)(3))
- F. To the extent available, recipients must disperse funds available from program income before requesting additional cash payments. (2 CFR §200.305 (b)(5))
- G. Advance payments of funds must be deposited and maintained in insured accounts whenever possible unless the following apply (2 CFR §200.305 (8) (i-iii))
 1. The recipient receives less than \$120,000 in Federal awards per year.
 2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
 3. The depository would require an average or minimum so high that it would not be feasible within the expected Federal and non-Federal cash resources.

III. Working Capital Advance

- A. A working capital advance is a one-time process to advance cash payments to a subrecipient to cover its estimated disbursement needs for an initial period geared to their disbursing cycle. Use of the working capital advance method requires that the recipient provide timely advance payments to any subrecipients in order to meet the subrecipients actual cash disbursements. (2 CFR§200.305(b)(4))
- B. After the initial advance, reimbursements will be for actual cash disbursements.

IV. Request for Reimbursement

- A. Grantees shall prepare requests for reimbursements as follows:
 - 1. For requests for funds prepared on an advanced basis, outlay (expenditures) are the sum of the actual cash disbursement for direct charges for good and services, the amount of the indirect expense incurred, and the amount of the cash advances and payments made to contractors and sub grantees. These costs must be split out by Operating and Provider.
- B. Grantees shall submit a “Request for Reimbursement” form to DETR’s Workforce Investment Support Services unit. Within 24 hours, provided the request was received before 2 p.m. or any requests received after 2 p.m. will not be reviewed until the next working day, WISS will:
 - 1. Review and submit approved reimbursement requests to DETR/FM; or
 - 2. Provide written notification and explanation to requestor as to why the request cannot be approved.
- C. All approved reimbursement requests will be processed by DETR/FM within 2 working days (requests received after 2 p.m. will not be reviewed until the next day).
- D. All State Grantees must be registered with the State Controller’s office. EFT payment(s) will process through that system and will be available typically within 48 hours of DETR’s submission. A remittance advice of funds transferred will be sent to the Grantee or its fiscal agent once funds are transferred.
 - 1. Any changes to the Grantee’s banking information or location must be reported through on-line submission with the State Controller’s office at:
http://controller.nv.gov/VendorServices/Electronic_Vendor_Registration.html