



## Arkansas Workforce Center at Little Rock

### LRWDB Program Directive

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**LITTLE ROCK WORKFORCE DEVELOPMENT BOARD**  
5401 South University Ave, Ste 146, Little Rock, AR 72209  
Tel: 501-682-0228/ TDD: (800) 250-6691

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Directive Number	SUBJECT
<b>POL 2019 Youth Services</b>	<b>Statement of Service for Dislocated Workers (DLW)</b>
Date of Issuance/Impact	POLICY IMPACT
<b>June 27, 2019</b>	<b>One Stop Career Center Operator</b>
Effective Date	Revision Date
<b>Immediately</b>	

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## **PURPOSE**

The purpose of this policy is to describe and define the Little Rock Workforce Development Board's eligibility requirements and services for dislocated workers in accordance with the Workforce Innovation and Opportunity Act of 2014 (WIOA), the WIOA Final Rule, and Training and Employment Guidance Letters (TEGLs) published by the Employment and Training Administration of the U. S. Department of Labor (ETA) and policies of the Arkansas Workforce Development Board (AWDB).

## **POLICY**

Dislocated workers are individuals who have lost jobs through no fault of their own. The goal of services to dislocated workers is to help them find appropriate jobs in in-demand industries [Introduction to Part 680 of WIOA Final Rule].

Dislocated worker services provided by the LRWDB consist of two types: career services and training services, to be provided through the Little Rock Workforce Center and partner entities [20 CFR 680.100 & 680.140(a)].

Career services consist of three types: basic services, individualized services, and follow-up services [20 CFR 678.430; TEGL 19-16].

An individual becomes a participant in a particular program when the registered person is declared eligible for that program, and then receives his or her first service, other than self-service or information-only [20 CFR 680.110].

### **Eligibility**

To be eligible for the Dislocated Worker program, an individual must meet requirements for eligibility in four areas: age/birthday, Social Security number (SSN), compliance with the Military Selective Service Act, and eligibility to work in the United States.

More specifically, the individual must be at least 18 years old [20 CFR 680.120].

Proof of social security number must be requested for participation in any WIOA program, but the SSN cannot be required unless/until the individual goes to work for an employer that uses E-verify or prepares for occupational training in a postsecondary program that qualifies for a Federal Pell Grant [8 USC 1324a; [www.fasfa.gov](http://www.fasfa.gov)]. It is unlawful to deny services other than employment to an individual simply because the individual is unwilling or unable to disclose a SSN, but some services may be limited if a SSN is not provided, such as work services [8 USC 1324a] and training services [[www.fasfa.gov](http://www.fasfa.gov)]. Case managers must notify applicants that the use of the SSN is used for program performance purposes [Privacy Act of 1974 (5 U.S.C. 552a) § 7(a)(1) & (2)); 8 U.S.C. 1324a; TEGL 5-08; Comments in WIOA Final Rule concerning §§677.155 & 677.175].

With certain exceptions, each male must have enrolled for the Selective Service System (SSS) within 30 days of his 18th birthday and before he reaches the age of 26. In general, a man age 26 or older who was not exempt from SSS registration cannot receive WIOA services [50 U.S.C 3801 et seq.].

A man who has reached the age of 26 and who did not register for Selective Service when required may present evidence to document an exception described below, may contact the Selective Service System to request a Status Information Letter for possible exception, or may provide documentation establishing that his failure to register was not knowing and willful [50 U.S.C 3801 et seq.; TEGL 11-11 Change 2]. The evidence must describe in detail the circumstances that prevented him from registering and provide documentation of those circumstances. The documentation should be specific as to the dates of the circumstances [TEGL 11-11 Change 2]. All appropriate documentation must be maintained in participant file. Males seeking WIOA services who are not registered for Selective Service and who have not yet reached the age of 26 must register through the Selective Serve website at [www.sss.gov](http://www.sss.gov) before receiving services. A male who turns 18 while participating in WIOA Title I-B services must register no later than 30 days after his 18th birthday. If a male under age 26 refuses to register, WIOA services must be suspended until he registers [TEGL 11-11 Change 2].

Participation in WIOA programs and activities, including receipt of funds, is available only to citizens and nationals of the United States, lawfully admitted permanent resident aliens, refugees, asylees, and parolees, and other immigrants authorized by the Attorney General, the Secretary of Homeland Security or the Secretary's designee to work in the United States [WIOA § 188(a)(5); 20 CFR 655.5; 20 CFR 683.285(a)(5)]. Specific information and acceptable documentation can be found on the USCIS 19 Form OMB No. 1615-0047).

In addition, to be eligible for the Dislocated Workers program, individuals must meet the eligibility criteria in one of the categories given below [WIOA § 3(15 & 16)]; 20 CFR 680.130]:

**Category A: Individual Lay-off**

The applicant must meet all three of the numbered conditions [WIOA 3(15)(A)]:

1. Has been terminated or laid off or has received a notice of termination or layoff, from employment
2. Meets one of the following conditions concerning unemployment compensation
  - a. Is eligible for or has exhausted entitlement to unemployment compensation
  - b. Has been employed long enough to demonstrate attachment to the workforce (i.e., has received wages in at least one (1) quarter in the last year immediately prior to eligibility determination, but is not eligible for unemployment compensation due to insufficient earnings or having performed services for an employer not covered under a state unemployment compensation law



3. Is unlikely to return to a previous industry or occupation (TEGL 19-16]

Special rules for service members: A separating service member qualifies as a dislocated worker under Category A if the separation is anything other than dishonorable, whether or not he or she receives or is eligible for Unemployment Compensation. A DD-214 from the Department of Defense or other appropriate documentation that shows a separation or imminent separation from the Armed Forces qualifies as the notice of termination or layoff to meet the dislocated worker definition. ETA policy dictates that a separating service member meets the Dislocated Worker requirement that an individual is unlikely to return to his or her previous industry or occupation. A separating service member may be provided career services while he or she is still part of the Active Duty military if the service member has an imminent separation date and the discharge will be anything other than dishonorable [TEGL 19-16].

#### **Category B: Business Closure or Substantial Lay-off**

The applicant must meet one of the following conditions [WIOA § 3(15)(B)]:

1. Has been terminated or laid off, or has received a notice of termination or layoff from employment as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise
2. Is employed at a facility at which the employer has made a general announcement that such facility will close within 180 days

An applicant who is employed at a facility at which the employer has made a general announcement that such facility will close, with no specific date or a date greater than 180 days in the future, may receive services other than training services described in WIOA § 134(c)(3), career services described in WIOA § 134(c)(2)(A)(xii), or supportive services. The person may qualify for these services when one of the above numbered conditions is met [WIOA § 3(15)(B)].

Arkansas state policy defines “substantial layoff” as 50 employees or 33% of the facility workforce, whichever is less, not including employees who have worked less than 6 months in the last 12 months and those who work an average of less than 20 hours a week [TEGL 19-16].

#### **Category C: Self-Employed Individuals**

An individual who was previously self-employed (including employment as a farmer, a rancher, or a fisherman) but is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters qualifies as a dislocated worker [WIOA § 3(15)(C)]. Arkansas state policy that local areas must define “unemployed as a result of general economic conditions in the community to which an individual resides or because of natural disasters” [TEGL 19-16].



### **Category D: Displaced Homemaker**

To qualify as a displaced homemaker, an individual must meet all three of the numbered conditions [WIOA § 3(15)(D); WIOA § 3(16); 20 CFR 680.630]:

1. Has been providing unpaid services to family members in the home
2. Meets one of the conditions of losing the income of another family member:
  - a. Has been dependent on the income of another family member, but is no longer supported by that income
  - b. Is the dependent spouse of a member of the Armed Forces on active duty, and the family income is significantly reduced because of a deployment, a call or order to active duty, a permanent change of state, or the service-connected death or disability of the member
3. Is unemployed or underemployed and is experiencing difficulty in obtaining or up grading employment

**Category E – Spouse of an active-duty member of the Armed Forces** who meets one of the following conditions [WIOA § 3(15)(E); 20 CFR 680.630; TEGL 19-16]:

1. Has lost employment as a direct result of a relocation due to a permanent change in the duty station of such member
2. Is unemployed or underemployed and is experiencing difficulty in obtaining or up grading employment

Equal opportunity (EO) data must be collected during registration for every individual who applies for WIOA financially assisted aid, benefits, services, or training [20 CFR 680.110(c)]. These data are race and ethnicity, age, sex, and disability [20 CFR 675.300]. Individuals may not be discriminated against because of race, color, religion, sex, national origin, age, disability, or political affiliation or belief, except as required by federal law for particular programs [WIOA § 188(a)(1); 29 U.S.C. 794; 42 U.S.C. 6101 et seq.; 20 U.S.C. 1681 et seq.; 20 U.S.C. 2000d et seq.]. As with all WIOA programs, priority for services is given to veterans.

Eligibility for the Dislocated Worker program does not make an individual eligible for all services in the program. The LRWDB follows its priority of service policy to determine priority of receipt of services. Nothing in this policy implies that an individual who qualifies for the Dislocated Worker program is guaranteed receipt of all individualized career and training services. An individual must demonstrate need for services before receiving them [TEGL 19-16].

### **Program Design**

The LRWDB's dislocated worker programs are designed to meet the following guidelines:

### Basic Career Services

Basic career services are universally accessible and are made available to all dislocated workers seeking employment and training services. All basic services are available through the Little Rock Workforce Center. Each individual may receive only those services that are appropriate to his or her situation. Basic services may be provided after individualized or training services or in combination with such services. Basic services are provided in coordination with Workforce Center partners, including Dislocated Worker programs, to participants who have met eligibility requirements.

Basic services are [WIOA §134(c)(2)(A)(i–xi); 20 CFR 678.430(a)]:

1. Determination of whether the individual is eligible to receive WIOA Adult, Dislocated Worker, and/or Youth services
2. Outreach, intake (including identification through the state's Worker Profiling and Reemployment Services system of unemployment insurance (UI) claimants likely to exhaust benefits), and orientation to information and other services available through the Little Rock Workforce Center
3. Initial assessment of skill levels, including literacy, numeracy, and English language proficiency, as well as aptitudes, abilities (including skills gaps) and supportive services needs
4. Labor exchange services, including:
  - a. Job search, placement assistance, and, in appropriate cases, career counseling
  - b. Information concerning in-demand industry sectors and occupation
  - c. Information about nontraditional employment
  - d. Recruitment on behalf of employers
5. Referrals to and coordination of activities with other programs and services, including Workforce Center partners and other programs and services

Referrals to partner programs may include individualized counseling, including drug and alcohol abuse counseling, mental health counseling, as appropriate. When referring a participant to necessary counseling that cannot be provided by the program provider, the case manager must coordinate with the counseling organization to ensure continuity of service [20 CFR 681.510].

6. Accurate workforce and labor market employment statistics information relating to local, regional, state, and national labor market areas, including:
  - a. Job vacancy listings in labor market areas
  - b. Information about job skills necessary to obtain vacant jobs listed

- c. Information concerning local in-demand occupations, as well as the wages, skill requirements, and opportunities for advancement for those occupations
7. Performance information and program costs of eligible training providers and type of providers
8. Easy-to-understand information concerning local performance measures
9. Easy-to-understand information about supportive services, including, but not limited to, child care, child support, medical or child health assistance, SNAP, earned income tax credit, TANF programs (including TEA, Work Pays, the Career Pathways Initiative, HUD housing counseling and assistance, and any other available program of supportive services and transportation
10. Assistance in establishing eligibility for programs of financial aid assistance for training and education programs not provided under WIOA
11. Information and assistance in filing claims for unemployment compensation

Applicants must be determined eligible for a WIOA Dislocated Worker program before receiving any of the following services [TEGL 19-16 (Appendix II)]:

- Initial assessment of skill levels and supportive service needs
- Staff-assisted job search
- Staff-assisted referral to employment and placement assistance
- Staff-assisted career guidance and counseling
- Meaningful assistance in filing for UI
- Assistance in establishing eligibility for financial aid

#### Individualized Career Services

Individualized career services may be given only to individuals who are eligible for program(s) and are determined to need such services to obtain or retain employment [20 CFR 678.430(b); 20 CFR 680.110; TEGL 19-16].

The provision of individualized services is based on the employment needs of the individual as determined jointly by the individual and the case manager, and may be identified through an individual employment plan (IEP) [TEGL 19-16].

Individualized Career Services may be provided by Workforce Center staff, including partner entities [TEGL 19-16]. A participant does not have to receive basic career services before receiving individualized career services, and he or she may receive basic services after receiving individualized services [TEGL 19-16].



As appropriate, participants should be co-enrolled with other service providers to create the best array of services for the participant. The LRWDB provides individual services required to be available to qualified individuals who need these services, including [WIOA § 134(c)(2)(A)(xii); 20 CFR 678.430(b); TEGL 19-16]:

1. Comprehensive and special assessments of the skill levels and service needs of the participant. The LRWDB may leverage recent (i.e., within the last six months) assessments, interviews, and evaluations of other entities, if appropriate [WIOA § 134(c)(2)(B); WIOA § 134(c)(3)(A)(ii)] assessments may include:
  - a. Diagnostic testing and use of other assessment tools
  - b. In-depth interviewing and evaluation to identify employment barriers and appropriate employment goals
2. Development of an individual employment plan (IEP) to identify the employment goals, achievement objectives, and appropriate combination of services for the participant to achieve his or her employment goals, including the list of, and information about eligible training providers
3. Group and/or individual counseling and mentoring
4. Career planning (e.g. case management)
5. Short-term pre-vocational services, including development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance, and professional conduct to prepare individuals for unsubsidized employment or training, in some instances preapprenticeship programs may be considered as short-term pre-vocational services
6. Internships and work experiences that are linked to careers identified in the individual employment plan [20 CFR 678.430(b)(7) & 680.170], including transitional jobs [20 CFR 680.190; TEGL 1916, Sec. 5
7. Workforce preparation activities that help an individual acquire basic academic skills, critical thinking skills, digital literacy skills, and self-management skills, including competencies in utilizing resources, using information, working with others, understanding systems, and obtaining skills necessary for successful transition into and completion of postsecondary education or training/employment
8. Financial literacy services, such as training for [WIOA §§ 129(b)(2)(D)]:
  - a. Creating a budget, initiating a savings plan, and making informed decisions about education, retirement, home ownership, wealth building, or savings
  - b. Managing spending, credit, and debt (including credit cards)
  - c. Checking a credit report, increasing the score, and correcting any errors or problems on a report
  - d. Understanding, evaluating, and comparing financial products, services, and opportunities
  - e. Understanding financial situations as a non-English speaker

9. Out-of-area job search assistance and relocation assistance
10. English language acquisition and integrated education and training programs
11. Customer support to enable individuals with barriers to employment to navigate among multiple services

#### Follow-Up Career Services

Follow-up services, including counseling regarding the workplace, are made available by Workforce Center partners for at least 12 months after the first day of employment, to participants who are placed in unsubsidized employment [WIOA § 134(c)(2)(A)(xiii); 20 CFR 678.430(c); 20 CFR 680.150(c); Comments in WIOA Final Rule concerning §680.150; TEGL 19-16].

Follow-up services may include, as appropriate [WIOA § 134(c)(2)(A)(xiii); TEGL 19-16]:

- a. DLW mentoring
- b. Financial literacy education
- c. Information concerning community agencies or organizations that might assist with supportive services.

Follow-up services may not include supportive services listed in 20 CFR 680.900 [20 CFR 680.910; TEGL 19-16]. Follow-up career services are not a qualifying service for the receipt of supportive services [WIOA § 134(d)(2)(A); TEGL-19-16. An individual who is only receiving follow-up services may not receive supportive services [TEGL 19-16].

Follow-up services may begin immediately following the last expected date of service in the programs included in the Common Exit date, when no future services are scheduled [TEGL 21-16].

Once 90 days of no services, other than follow-up services, self-service, and information-only services and activities, has elapsed and the participant has an official exit date applied retroactively to the last date of service, the program continues to provide follow-up services for the remaining 275 days of the 12-month follow-up requirement. The 12-month follow-up requirement is completed upon one year from the date of exit [TEGL 21-16].

All participants are offered an opportunity to receive follow-up services that align with their individual service strategies. Follow-up services do not have to be provided if the participant declines to receive services or if the participant cannot be located or contacted. Follow-up services may be provided beyond 12 months at the discretion of the LRWDB and the program provider. The types of services provided and the duration of the services are determined based on the needs of the individual. Follow-up services include more than a contact attempted or made for securing documentation in order to report a performance outcome [20 CFR 681.580(c)].



Participants are to be informed at the time of enrollment that follow-up services will be provided for 12 months following exit. Documentation is placed in a participant's case file when he/she cannot be located or contacted or if an individual requests not to receive or continue follow-up services [TEGL 21-16].

The exit date is determined when the participant has not received services in the DLW program or any other program included in a common-exit program in which the participant is co-enrolled for 90 days, and no additional services are scheduled. At that point, the date of exit is applied retroactively to the last date of service [20 CFR 677.150(c)].

An individual who is employed is not required to exit the DLW programs simply because he or she is employed. If the participant is enrolled in other common-exit programs or if he or she needs additional career services (other than follow-up services or self-service, and information-only services and activities), training services, or both, the participant is not exited until these services are no longer needed.

### Training Services

Training services are available for eligible participants as long as services meet an individual's educational and career goals, abilities and skill gaps. The need for training services is documented in case management files [20 CFR 680.220(b)].

To receive Training Services a participant must meet all of the following criteria:

1. Meet all eligibility requirements for the Dislocated Worker program.  
Is determined eligible in accordance with the LRWDB's priority system in effect for DLW if training services are provided through the DLW formula funding stream [TEGL 19-16]
2. Has been determined after an interview, evaluation, or assessment, and after career planning that the individual meets all of the following criteria [WIOA § 134(c)(3)(A)(i)(I); 20 CFR 680.210(a) & 680.220(a); TEGL 19-16]:
  - a. Is unlikely or unable to obtain or retain employment that leads to economic self-sufficiency, as determined by the LRWDB, or wages comparable to or higher than wages from previous employment, through career services alone
  - b. Is in need of training services to obtain or retain employment leading to economic self-sufficiency, as determined by the LRWDB, or to wages comparable to or higher than wages from previous employment
  - c. Has the skills and qualifications to participate successfully in training services

Where appropriate, the LRWDB may leverage a recent (i.e., within the last six months) interview, evaluation, or assessment [WIOA § 134(c)(2)(B); 20 CFR 680.220(a); TEGL 19-16]. Case files are to contain a determination of need for training services as determined through the interview, evaluation, or assessment, career planning using local labor market information and training



provider performance information, or other career service received. If career services are not provided before training the case manager must document the circumstances that justified the determination to provide training without first providing career services [20 CFR 680.220(b)].

3. Select a program of training services that is directly linked to the employment opportunities in the Little Rock area, or geographic areas to which individuals are willing to commute or relocate [WIOA § 134(c)(3)(A)(i)(II); 20 CFR 680.210(b); TEGL 19-16].
4. Is unable to obtain grant assistance from other sources to pay the costs of such training, including State-funded training funds, Federal Pell Grants, and TANF or requires WIOA assistance in addition to these other sources. In making the determination, the LRWDB may take into account the full cost of participating in training services, including the cost of support services [WIOA § 134(c)(3)(B)(i)(I); 20 CFR 680.210(c); 20 CFR 680.230; TEGL 19-16].

LRWDB partners and other entities must coordinate funds available to pay for training [20 CFR 680.230]. A DLW participant may enroll in WIOA-funded training while his or her application for a Pell Grant is pending as long as the Workforce Center has made arrangements with the training provider and the participant regarding allocation of the Pell Grant, if it is subsequently awarded. In that case, the training provider must reimburse the WIOA funds used to underwrite the training for the amount the Pell Grant covers, including any education fees the training provider charges to attend training. Reimbursement is not required from the portion of Pell Grant assistance disbursed to the participant for education-related expenses [20 CFR 680.230].

If the applicant is a member of a worker group covered under a petition filed for Trade Adjustment Assistance (TAA) and is awaiting a determination, training may be provided under WIOA if all other eligibility requirements are met. If the petition is certified, the worker will then transition to TAA approved training. If the petition is denied, the worker will continue training under WIOA [TEGL 19-16].

Per [WIOA § 134(c)(3)(D); 20 CFR 680.200; 20 CFR 680.350]; TEGL 19-16], training services provided by the LRWDB include, but are not limited to:

1. Occupational skills training, including training for nontraditional employment. See the LRWDB Occupational Skills Training-ITA policy for more information.
2. On-the-job training (OJT). See the LRWDB On-the-Job Training policy for more information.
3. Registered Apprenticeship (RA) training. See the LRWDB Registered Apprenticeship (RA) policy for more information.
4. Incumbent working training (limited to no more than 20% of the funds granted to the LRWDB for Adult and Dislocated Worker Training [WIOA § 134(d)(4)]. See

the LRWDB Incumbent Worker Training policy for more information.

5. Programs that combine workplace training with related instruction, which may include cooperative education programs.
6. Training programs operated by the private sector.
7. Skill upgrading and retraining
8. Entrepreneurial training
9. Job readiness training if it is provided in combination with other training listed above or transitional jobs.
10. Education and literacy activities, including activities of English language acquisition and integrated education and training programs, if they are provided concurrently or in combination with training listed above
11. Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training. See the LRWDB Customized Training policy for more information.

Selection of training services is conducted in a manner that maximizes customer choice [20 CFR 680.340(a)], is linked to in-demand employment opportunities in Little Rock, the surrounding planning region or in a geographic area in which the participant is willing to commute or relocate, and is coordinated to the extent possible with other sources of assistance [TEGL 19-16].

The LRWDB makes the list of eligible training providers, a description of the programs through which training is offered, and the performance and cost information about the providers available to customers [20 CFR 680.340(b)].

The LRWDB also works with representatives of secondary and postsecondary education programs to lead in the development and implementation of career pathways by aligning local employment, training, education, and supportive services needed by dislocated workers, particularly individuals with barriers to employment (e.g. displaced homemakers, individuals with disabilities, returning citizens) [A.C.A. 15-4-3711(a)(8)].

Training services, when determined appropriate, are provided through either Individual Training Accounts (ITAs) or through training contracts. Except under conditions listed below, training services are provided by an approved eligible training provider (ETP) through an individual training account (ITA) [WIOA §134(c)(3)(G(i)); TEGL 19-16]

Contracts for services are used instead of ITAs only when one or more of the following five exceptions apply and the consumer choice requirement has been fulfilled [WIOA § 122(h); WIOA § 134(c)(G)(ii); 20 CFR 680.320(a); TEGL 19-16]:



1. When the services provided are on-the-job-training (OJT), part of a Registered Apprenticeship (RA) program, customized training, incumbent worker training, or transitional jobs
2. When the LRWDB determines that there are an insufficient number of eligible training providers in the local area to accomplish the purpose of a system of ITAs. Then the determination process includes a public comment period for interested providers of at least 30 days).
3. When the LRWDB determines that there is a training services program of demonstrated effectiveness offered by a community-based organization or another private organization to serve individuals with barriers to employment. Criteria used in determining demonstrated effectiveness include [20 CFR 680.320(a)(3); TEGL 19-16]:
  - a. Financial stability of the organization
  - b. Demonstrated performance in the delivery of services to individuals with barriers to employment through such means as program completion rate, attainment of the skills, certificates or degrees the program is designed to provide, placement after training in unsubsidized employment, and retention in employment
  - c. How the specific program relates to the workforce investment needs identified in the LRWDB's local plan
4. When the LRWDB determines that it would be most appropriate to contract with an institution of higher education or other eligible provider of training services in order to facilitate the training of multiple individuals in in-demand industry sectors or occupations and contract does not limit customer choice
5. When the LRWDB determines that a pay-for-performance contract is suitable consistent with 20 CFR 683.500 and the pay-for-performance contract is consistent 20 CFR 683.510. The LRWDB complies with the requirement that no more than 10% of local funds may be spent on pay-for-performance contract strategies as defined in WIOA § 3(47).

In some cases, the LRWDB may provide training through a combination of ITAs and Contracts [TEGL 19-16].

#### Supportive Services

Information about supportive services for dislocated workers can be found in the LRWDB's Supportive Services policy. Such services may include, but are not limited to [WIOA § 3(59); 20 CFR 680.900, 681.460(a), & 681.570; TEGLs 19-16 & 21-16]:

- Linkages to community services
- Assistance with housing
- Needs-related payments

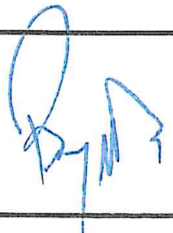


- Assistance with educational testing
- Reasonable accommodations for individuals with disabilities
- Legal aid services
- Referrals to health care
- Assistance with uniforms or other appropriate work attire and work-related tools, including such items as eyeglasses and protective eye gear
- Assistance with books, fees, school supplies, and other necessary items for students enrolled in postsecondary education classes
- Payments and fees for employment and training-related applications, tests, and certifications.

#### Business/Employer Services

To foster connections between dislocated workers and local businesses/employers, the LRWDB offers:

- Business access to Little Rock Workforce Center facilities for meetings, trainings, orientations, and interviews
- Hosted hiring events, which are customized to the specific needs of local businesses
- Job placement channels, organized by Little Rock Workforce Center staff
- Assistance with applicant referrals and applicant screening.
- Development and implementation of industry sector strategies (including strategies involving industry partnerships, regional skills alliances, skills standards and certification, industry skill panels, and other initiatives for meeting the workforce development needs of area employers and workers [WIOA 134(d)(1)(A)(ix)].

<b>Contact Person</b> W. J. Monagle, Executive Director	<b>Expiration Date</b> Indefinite
<b>Authorized By</b> Bryan Day, Chair 	<b>Resolved</b>

Policy Review Date: 6/20/2019



## Arkansas Workforce Center at Little Rock

### LRWDB Program Directive

**LITTLE ROCK WORKFORCE DEVELOPMENT BOARD**  
5401 South University Ave, Ste 146, Little Rock, AR 72209  
Tel: 501-682-0228/ TDD: (800) 250-6691

Directive Number	SUBJECT
<b>POL 2019 Finance Procurement</b>	<b>Finance and Procurement Policy</b>
Date of Issuance/Impact	POLICY IMPACT
<b>April 25, 2019</b>	<b>One Stop Career Center Operator; LRWDB Program Providers</b>
Effective Date	Revision Date
<b>Immediately</b>	<b>March 31, 2022</b>
	<b>ORIGINAL</b>

## **PURPOSE**

The purpose of this policy is to outline comprehensive financial management, procurement and purchasing, and inventory tracking/accountability in accordance with the Workforce Innovation and Opportunity Act of 2014 (WIOA), the WIOA Final Rule, Training and Employment Guidance Letters (TEGLs) published by the Employment and Training Administration of the U.S. Department of Labor (ETA), Uniform Guidance of the federal Office of Management and Budget (OMB), Arkansas Workforce Development Board policies, and the terms and conditions of each grant and contract awarded to the LRWDB, as a direct grantee and/or as a sub-grantee.

These policies have been developed to establish effective control over, and accountability for, all funds, property and other assets to provide reasonable assurance that the LRWDB is managing all awards in compliance with applicable Federal statutes, regulations and terms and conditions.

Internal Controls shall be in compliance with guidance in "Standards for Internal Control in the Federal Government" as issued by the Comptroller General of the United States and the "Internal Control Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Every LRWDB employee shall follow the prescribed procedures and designated staff policies and are encouraged to make suggestions to strengthen controls where needed. The LRWDB must safeguard all assets and assure that they are used solely for authorized purposes. As the recipient of federal awards, the LRWDB is responsible for complying with all requirements of the federal award.

The LRWDB is responsible for creating a culture of honesty and high ethics. Such a culture is rooted in a strong set of core values that provides the foundation for employees as to how the LRWDB conducts business. This culture creates an ethical framework that discourages fraudulent financial reporting, misappropriation of assets and corruption.

## **Financial Procedures**

### **1. Fraud Risks**

Designated staff are responsible for identifying and measuring fraud risks. The intent of the framework of the LRWDB's Financial Management Policy is to manage the LRWDB's risk of fraud in operations and designated staff and to apply internal control activities to mitigate the chance of fraud. The Executive Committee shall review these policies annually to consider whether the risks have changed. Effective fraud risk management staff is an ongoing process of assessing risks, designing controls to prevent, detect and respond to incidents of fraud or



misconduct, implementing strategies to mitigate risk and evaluating existing controls against regulatory requirements. Elements of risk for the LRWDB, which may undermine public trust and damage the LRWDB's reputation for integrity include:

- a. Fraudulent financial reporting, which consists of improper revenue recognition, overstatement of assets, and understatement of liabilities. The LRWDB's financial statements policy is designed to outline the requirements for proper recording and reporting of LRWDB financial activities. The LRWDB's financial policies address steps which are in place to ensure proper revenue recognition, as well as the recording of assets and liabilities. The LRWDB's policies are intended to ensure that staff involved with recording information have oversight by staff which will verify the information.
- b. Misappropriation of assets include embezzlement, payroll fraud, external theft, procurement fraud and counterfeiting. The LRWDB's financial policies address safeguarding assets, approvals for purchasing and cash disbursements, and conflicts of interest which are intended to mitigate the LRWDB's risk for misappropriation of assets.
- c. Revenue or expenses incurred by fraudulent or illegal acts or to avoid fraudulent or illegal acts. Examples include bogus revenue, accelerated revenue, wage and hour abuses, falsifying compliance data provided to regulators, bribery, etc. The LRWDB's financial policies include the requirement for adequate documentation and designated staff approvals which are intended to mitigate the risk of fraud through revenue and expenses.
- d. Other misconduct may include conflicts of interest and discrimination. The LRWDB's financial policies as well as the LRWDB's employee/personnel policies are designed to mitigate these risks. Designated staff shall conduct and document a formal risk assessment annually to ensure that the policies and procedures in place are designed to adequately prevent, detect and respond to all risks of fraud that exist outside of collusion.

## 2. Financial Reporting

The LRWDB and its one-stop operator prepare financial documentation on an accrual basis as required ADWS policy. The LRWDB submits Monthly Expenditure Reports (MERs) and worksheets through the Arkansas Department of Workforce Services' (ADWS) AWIS financial reporting system. Each report must detail the total expenses of each funding title, cost codes and program year. The MERs must be completed and submitted by the 15th day after the reporting period. In the event the 15th falls on a weekend, the reports must be submitted on

the next business day. Quarterly reports must be made to US DOL quarterly (ETA 9130) for other federal grants.

LRWDB staff will begin the month end closing process on the last day of the reporting period. The staff will ensure that all general ledger entries have been made. All adjusting entries and accruals must be completed by the 30th day after the reporting period has ended. A final review of the general ledger will be conducted before final expenditures reports are generated and submitted. Other grants not related to WIOA will be processed in the same manner but reported per the contractual agreement. The LRWDB prepares financial reports by sub-grant year of appropriation from monthly detail/expense reports. Stand-In costs are maintained separately by year/category for applicable titles.

The LRWDB relies on the timely submission of the one-stop operator's and other program providers' financial reports to make deadlines. The one-stop operator and program providers shall provide financial reports by the 10<sup>th</sup> of each month on all WIOA expenditures. If the one-stop operator fails to make deadlines, the LRWDB is not held responsible for failing to meet the ADWS due date.

Unliquidated obligations, program income and any accruals should be reflected on the reports. The one-stop operator's and program providers' expenditures are calculated along with LRWDB expenditures and reported in total to ADWS. The cost allocation method used by the one-stop operator and program providers, which is based on hours worked by grant, is also the method used by the LRWDB. Time studies are also used if requested.

Amendment to LRWDB Financial and Procurement Policy  
Section 2. Financial Reporting  
3/31/2022

ORIGINAL

Ensuring Grants with Local Match requirements are properly tracked and achieved

At the outset of creating the financial accounting GL for any grant requiring a local match, a budgeted amount equaling the numeric value of the match percentage shall be made part of the budgeted expenditure amounts in the accounting software. Following the program plan and scope of work for collecting, documenting, and reporting the local match – whether that be an in-kind or cash value – the LRWDB financial accounting staff shall make deductions from this expenditure line. Invoices from grant partners, providers and other entities that lack the anticipated notations of cash or in-kind contributions shall not be paid until the local match contribution is included in documentable form. LRWDB financial staff shall include a deduction for Local Match on each of the ETA-9130 Quarterly Financial Report forms as the grant progresses; an ETA-9130 report shall not be submitted without an update to the Local Match expenditure line.

3. Accounting Systems/Internal Controls

The LRWDB's, as well as the one-stop operator's and program providers' accounting systems, shall provide for identification, receipt, and expenditure of

funds for each sub grant/award by year of appropriation and applicable cost categories/components.

Accounting records are maintained in a manner to facilitate the tracking of funds to source documents. Systems are in place to ensure report and payment due dates for financial reports, taxing agencies, insurance companies, and other entities are met.

Each entity shall maintain a chart of accounts, fixed assets accounts, cash receipts journal, cash disbursements journal, general journal, general ledger, and subsidiary ledgers. The chart of accounts will include all categories/components by which costs are reported and are customary. Monthly trial balances are prepared and reconciled with financial reports as needed. All financial records and supporting documentation shall be maintained for a clear and accurate audit trail. Records must be retained for a period of not less than (3) years after close out of the grant.

Internal control is a process, effected by LRWDB and designated staff, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. The purpose of the LRWDB's financial policies is to provide reasonable assurance regarding the achievement of objectives in the following categories:

- a. Effectiveness and efficiency of operations
- b. Reliability of financial reporting
- c. Compliance with laws and regulations

Internal control consists of five integrated components:

- a. Control Environment

The control environment is the set of standards, processes and structures that provide the basis for carrying out internal control across the LRWDB. The Board and designated staff establish the tone at the top regarding the importance of internal control including expected standards of conduct. Designated staff reinforces expectations at the various levels of the LRWDB. The control environment comprises the integrity and ethical values of the LRWDB; the parameters enabling the Board to carry out its governance oversight responsibilities; the organizational structure and assignment of authority and responsibility; the process for attracting, developing and retaining competent individuals; and the rigor around performance measures, incentives and rewards to drive accountability for performance. The resulting control environment has a pervasive impact on the overall system of internal control.

- b. Risk Assessment



Risk is defined as the possibility that an event shall occur and adversely affect the LRWDB's achievement of objectives. Risk assessment involves a dynamic and iterative process for identifying and assessing risks to the achievement of objectives. Risks to the achievement of these objectives from across the entity are considered relative to established risk tolerances. Thus, risk assessment forms the basis for determining how risks shall be managed by the LRWDB. A precondition to risk assessment is the establishment of objectives, linked at different levels of the LRWDB. Designated staff specifies objectives within categories relating to operations, reporting and compliance with sufficient clarity to be able to identify and analyze risks to those objectives. Designated staff considers the suitability of the objectives for the LRWDB. Risk assessment requires designated staff to consider the impact of possible changes in the external environment and within its own business model that may render internal control ineffective.

c. Control Activities

Control activities are the actions established through policies and procedures that help ensure that designated staff's directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of the LRWDB, at various stages within business processes and over the technology environment. They may be preventative or detective in nature and may encompass a range of manual and automated activities such as authorizations and approvals, verifications, reconciliation and business performance reviews. Segregation of duties or alternate control activities is typically built into the selection and development of control activities.

d. Information and Communication

Information is necessary for the entity to carry out internal control responsibilities to support the achievement of its objectives. Designated staff obtains or generates and uses relevant and quality information from both internal and external sources to support the functioning of other components of internal control. Communication is the continual, iterative process of providing, sharing and obtaining necessary information. Internal communication is the means by which information is disseminated throughout the LRWDB, flowing up, down and across the entity. It enables personnel to receive a clear message from designated staff that control responsibilities must be taken seriously. External communication is twofold: it enables inbound communication of relevant external information, and it provides information to external parties in response to requirements and expectations.

e. Monitoring Activities

An official internal monitoring visit shall take place at least one time annually. The monitoring visit follows the ADWS Monitoring Tool (revised September 2018) as a guide. Ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control is present and functioning. Ongoing evaluations provide timely information. Separate evaluations, conducted periodically, shall vary in scope and frequency depending on assessment of risks, effectiveness of ongoing evaluations, and other designated staff considerations. Findings are evaluated against criteria established by regulators, recognized standard-setting bodies or designated staff and the Board, and deficiencies are communicated to designated staff and the Board as appropriate. Designated staff and internal control policy are designed to integrate effective internal control processes which are intended to minimize financial risks of the LRWDB, provide safeguards to protect the property and assets of the LRWDB, and to indicate responsibility of personnel.

4. Accounts Receivable and Cash Receipts

The LRWDB records most revenue through Accounts Receivable, however due to the nature of the LRWDB's business, due dates are irregular. Receivables shall be reviewed regularly by the Office Manager to ensure that collections are made consistent with grant and contract provisions. Regardless of the method of recording, all revenue shall be recorded in a manner which may be reported consistently with the LRWDB's financial statements and reporting policies.

Mail shall be sorted, opened, date stamp as appropriate, and distributed to recipients daily. All checks received shall be logged in and immediately stamped "For Deposit Only," then delivered to the designated staff.

Between the time of receipt and time of deposit, all cash receipts shall be locked in a designated staff member's office. A log is maintained by person(s) not responsible for maintaining the accounting records. The log is verified with bank reconciliations. Duplicate deposit slips are also maintained in a deposit slip book.

Cash deposits are made at regular intervals and within 2 days of receipt. All checks must be immediately endorsed by the LRWDB employee(s) opening the mail. Bank deposits shall be delivered to the bank by personnel other than the one who reconciles the accounts.

Unclaimed (un-cashed) vendor and/or participant/employee checks are investigated after 90 days. After 120 days from the date of issue, all checks (payroll or other) are void. Letters are written to the payee requesting

confirmation of the status of the item. Replacement checks may be issued upon receipt of confirmation from the payee. Outstanding checks that have become void are returned to the appropriate WIOA funding stream.

Upon notification of lost, stolen or missing checks, the LRWDB Office Manager or LRWDB Executive Director immediately places a stop payment on the item(s).

When requesting Federal funds, the LRWDB shall use designated OMB-approved standard collection requests. The LRWDB will draw down funding in accordance with the First in First out (FIFO) methodology. Requests shall not exceed immediate cash needs for carrying out the purpose of the approved program or project and we shall minimize the time between receipt and disbursement of Federal funds. Deposits shall be entered onto the General Ledger daily by the designated staff from the log or from online activity reports. The Cash Receipts log shall be reviewed by the Finance Director in order to aid in cash designated staff activities and to confirm coding for the deposit.

#### 5. Debt Collection and Bad Debts

The LRWDB shall be responsible for the effective control and over and accountability for all funds, property and other assets. To that end, the LRWDB shall collect all outstanding debts from entities or individuals doing business with the local area. Such debts may include, but are not limited to, refunds due from eligible training or program providers or inaccurate requests for funds submitted by contractors or vendors.

The LRWDB's internal control systems are established, based on OMB Circulars, as well as current and past federal regulations, to detect debt. LRWDB staff, under the direction of the Executive Director, shall investigate and determine the amount of debt owed, in writing and provide a 15-day timeframe for repayment. In the event that the indebted entity has ceased to exist and there remains no recourse for the recovery of funds, the LRWDB shall notify the State and request assistance in writing off the outstanding debt.

#### 6. Request for Advance Payment

A request for WIOA advance payments must be made to the Arkansas Department of Workforce Services (ADWS) on the AWIS Request for Advance system by 12:00 a.m. on Mondays or Thursdays. The cash advance will be received 4 (four) working days after the order date. Holiday schedules are provided by ADWS. For example, if cash is ordered on a Monday, it will be received 4 (four) working days after or the following Friday. If cash is ordered on a Thursday, it will be received (four) days after or the following Wednesday. Advance payments from direct federal grants may be made at any time with cash being received the next business day.



All WIOA requests must be to cover expenditures incurred, which are totaled on ordering days. WIOA/grant funds must be expended within (3) days of receiving cash. Other Federal Grant funds are wire transferred to the using agency within two (2) days of receipt, or in accordance with specific grant provisions.

A request for advance payments from the one-stop operator is added to the LRWDB request and submitted to the state by 12:00 noon on each ordering day. The contracted one-stop operator is reimbursed once a month after receiving an invoice, within 30 days after month-end. The LRWDB retains the right to withhold funding if invoices are not properly documented.

All ACH transfers MUST be signed by two (2) authorized signers. All cash transfers are confirmed by the LRWDB's bank with an email back verification of the receipt of the fax/cash transfer. All bank routing or account numbers changes require three (3) approval signatures.

#### 7. Budgeting

The LRWDB's Executive Director is responsible for overseeing the preparation of the budget annually. A budget shall be prepared for each funding program and contract the LRWDB is operating. Budgets shall be prepared with input from all Directors and be reviewed by designated staff prior to presentation to the Board. The LRWDB shall approve the budgets annually.

#### 8. Accounts Payable and Cash Disbursements

The LRWDB records expenses primarily through accounts payable and shall pay such liabilities in a timely manner. Accounts payable shall be reviewed by the Office Manager regularly and the terms of payments to vendors shall be updated as needed. Some expenses are recorded as paid rather than through accounts payable. Such expenses include cash disbursements for checks which are needed immediately due to timing issues. Regardless of the method of recording, all expenses shall be recorded in a manner which may be reported consistently with the LRWDB's financial statements policies.

*If a contractor or subrecipient is more than seven (7) days late in submitting a monthly invoice and/or accrued expenditures, then the LRWDB Bookkeeper or Office Manager must notify by email the contractor or subrecipient's financial manager that it has seven (7) days to submit its invoices and accruals. If a contractor or subrecipient is more than thirty (30) days late in submitting a monthly invoice and/or accrued expenditures, then the LRWDB Bookkeeper or Office Manager must notify the LRWDB Executive Director by email that the contractor or subrecipient is thirty days late to submit its invoices and accruals. The LRWDB Executive Director must then notify the contractor or subrecipient's signatory on organizational letterhead that it has seven (7) days*

*to submit its invoices and accruals, or face penalties, up to and including suspension or termination. After sixty (60) days, if a contractor or subrecipient has not submitted its monthly invoices and/or accrued expenditures, then the LRWDB Executive Director must then notify by registered mail the contractor or subrecipient's signatory on organizational letterhead that it is required and intends to initiate suspension or termination of said contract or subaward within seven (7) days. Under no circumstances will a contract or subaward extend past ninety (90) days when a contractor or subrecipient has not submitted its monthly invoice and/or accrued expenditures, unless it is in suspension.*

Designated staff review all requests for expenditures to ensure that they are necessary, reasonable and allowable according to any funding restrictions applicable to their specific source of funding. The Executive Director shall review the set-up for new types of expenditures and non-recurring expenditures. Grant funded expenditures must comply with allowable cost principles of OMB Uniform Guidance as well as state and federal regulations, including specific requirements for applicable grants.

LRWDB cash disbursement systems provide use of sequentially pre-numbered checks. Mechanical check signers and signature stamps are strictly prohibited. Checks payable to cash and pre-signing of checks in advance are also strictly prohibited. Blank checks shall be safeguarded to prevent unauthorized access. Checks payable to cash are prohibited.

The packaged accounting software prevents duplicate payments by disallowing duplicate invoice numbers per vendor. When a payment is in question, due to timing or missing invoice information, research shall occur prior to payment. A three-part check is used for most disbursements. The three-part check shall be handled as follows: • A copy of the original check is made. • The check with both stubs (remittance) is mailed to the vendor. • The copy of the check with stubs (remittance) is attached to the supporting documents and filed alphabetically according to the vendor's name in the Accounting file room by fiscal year. Paid invoices may be filed in another designated area if contract or federal program related. A copy of the original shall be filed in its place. Check remittance shall be matched to invoices and filed by staff.

The LRWDB maintains documentation of authority to sign checks. All invoices are signed and approved by the Executive Director or Board Chair prior to payment. All checks require two (2) signatures: Executive Director, Office Manager, Board Chair, or Secretary/Treasurer. Voided checks are retained along with information concerning possible future claims and the signature section is removed. Any bank accounts operated by the LRWDB shall be collateralized as directed by federal regulations.

Requests for payment are approved by the Executive Director and Office Manager and must have all supporting documentation attached for review. Payments/entries are tracked in a manner that makes them traceable through books of account to source documentation. Payments must be for usual transactions and be charged to appropriate final cost objective: i.e., a particular award, project, service, or other direct activity of an organization as well as a particular cost category. Costs identified specifically with grant awards are direct costs of the awards and are to be assigned directly, noting the grant, program year, title and cost category. Payments for expenses that are not allocable to federal programs shall be paid with non-federal funds.

Checks for Adult, DLW, Youth, Summer Work Experience, YouthBuild, Re-Entry or other LRWDB program participants are hand-delivered on pay day by the teacher/leader or by a one-stop case manager. The participant is required to sign for the check and show identification. If a participant is no longer employed on check date, the participant must pick up the check directly from the LRWDB. Checks will not be issued to parents, relatives or friends of participants unless a copy of the participants' identification and a permission note signed by the participant is presented.

The LRWDB follows the annually published IRS standard mileage rate for reimbursement. Travel payment procedures must be consistent with the LRWDB travel policy. Vouchers shall correspond to supporting documentation and cancelled checks.

#### 9. Petty Cash and Credit Cards

The LRWDB does not and will not maintain a petty cash fund that includes WIOA or grant funds. The one-stop operator and other program operators maintaining a petty cash fund that includes WIOA or federal grant funds must establish a maximum limit and designate a petty cash custodian. The petty cash system only provides for: emergency/incidental use, well-documented disbursements, pre-numbered petty cash slips, and timely reconciliation (preferably monthly).

The use of credit cards may be utilized by *the LRWDB Executive Director* to facilitate necessary transactions where use of a credit card would expedite the transaction in an efficient manner. The purpose and use of a credit card(s) is not intended to override the procedures set forth in the Procurement Policy nor the Purchasing Policy or prescribed regulatory provisions set forth by state and federal guidelines. *LRWDB staff* designated *by the Executive Director* shall be responsible for the issuance, accounting, reconciling, monitoring, retrieval and general oversight of compliance with the use of credit cards. The *Executive Director and the limited* designated staff shall be responsible for the protection and custody of credit cards and shall immediately notify the financial institution issuing the card if lost or stolen. *The LRWDB Executive Director or designated*



*LRWDB* staff shall not knowingly disclose or otherwise make publicly available credit card information that could potentially result in fraud or unauthorized charges. Credit cards shall only be used for the purchases of goods and services that are the official business of the *LRWDB*. Personal purchases and cash advances shall not be authorized. Adequate documentation (e.g., original sales receipts, credit slips, agenda and sign-in sheets for meeting supplies) for the goods or services purchased with a credit card shall be required for all transactions.

*Under the same guidelines and procedures as described above*, the use of credit cards may be utilized by *LRWDB* program providers to facilitate necessary transactions where use of a credit card would expedite the transaction in an efficient manner.

#### 10. Bank Accounts and Cash Management

The *LRWDB* shall maintain bank accounts sufficient to meet *LRWDB* needs, as well as grant and contract requirements. Authorized signers on all bank accounts shall include the Office Manager and Executive Director as well as the Secretary, Treasurer and Chairman of the Board. All bank accounts shall be reconciled monthly by an employee who does not write checks nor prepare deposits within 30 days of receipt. Bank reconciliations are reviewed by the Office Manager and approved by the Executive Director prior to being filed.

Bank reconciliations shall be retained in accordance with the *LRWDB*'s record retention policy. By agreement of the *LRWDB* Chairman, the Executive Director and Office Manager are authorized to open new bank accounts and close bank accounts at financial institutions as needed to facilitate *LRWDB* operational objectives.

The *LRWDB*'s WIOA- or grant-funded cash on hand is not to exceed immediate needs.

The *LRWDB* and contracting entity maintain a worksheet with funds awarded for all WIOA or federal grant programs. Advance request amounts are deducted on a weekly basis to ensure amount of funds awarded are not exceeded.

All program providers and partner entities must have a similar procedure in place not to exceed their budget by GL line item (as approved by the board). If a line item exceeds the budget, a budget modification request must be submitted to the board to ensure cash requests do not exceed the permitted level of funding.

The *LRWDB* Executive Director submits federal, state and local grant and sub-grant awards to the ADWS for approval. The *LRWDB* prepares a memorandum of understanding (MOU) or contract (with approved funding levels and a detailed

budget included in the contract) and provides it to operators after receiving approval notification from ADWS.

The one-stop operator and other program providers are funded on a monthly reimbursement basis. The one-stop operator or other program providers must promptly return un-needed funds to the LRWDB; the LRWDB shall return these funds to ADWS. The LRWDB monitors the one-stop operator and other program providers, at least once a year, to insure compliance with the (3) day cash on hand limitation.

All program providers and partner entities shall prepare monthly bank reconciliations for all WIOA or grant bank accounts, itemizing outstanding checks. The Office Manager shall review all check registers weekly. Voided checks shall be maintained in a voided check file with pertinent information to the void attached. All voided checks are clearly marked void.

Outstanding checks that have become outdated (i.e., over 120 days following issues) shall be cancelled after all efforts to ensure proper payment have been exhausted. Bank reconciliation for program providers and partner entities shall be prepared by individuals not responsible for handling cash and/or signing checks in a manner that traces to books of account.

#### 11. Compensation

Compensation amounts are determined during the hiring process. No LRWDB manager or director salary may exceed Level I of the Executive Schedule set forth by the Federal Office of Personnel Management. No hourly employee may exceed the maximum hourly rate of the General Schedule set forth by the Federal Office of Personnel Management.

#### 12. Payroll

Payroll systems are based on time and attendance reports. Timesheets/time studies are certified by management for accuracy. All personnel employed at the LRWDB are salaried and receive the same pay each pay period. If the pay of any employee is more than \$100.00 over the normal established amount, a third authorized signature is required for disbursement.

Payroll shall be prepared by designated staff and all pay, deductions and benefits shall be verified with supporting documentation prior to final approval by the Executive Director.

Payroll is transferred on or before the 5<sup>th</sup> and the 20<sup>th</sup> of the month. Employees are paid bi-monthly for work performed from the 1<sup>st</sup> and the 15<sup>th</sup> and the 16<sup>th</sup> through the end of the month. The ACH occurs within three days after the cash has been deposited in the local bank account. Payroll is not to be authorized more than

twice a month without a third approval signature. Payroll complaints are immediately investigated by the LRWDB Office Manager or Executive Director. The LRWDB maintains a file with copies of payroll complaints and resolutions. Detailed payroll procedures are documented in the LRWDB Employee Handbook.

Program operators must also maintain written payroll policies and procedures, including how to handle unclaimed participant checks, lost, stolen, or missing checks, and payroll complaints. Partner entities must maintain leave records that reflect cumulative Paid Time Off (PTO) and Short-Term Disability Leave (STD) accrued and taken. Payroll entries should be traceable to staff timesheets; cumulative leave records must agree with timesheets.

### 13. Bonding and Insurance

Reasonable and adequate insurance coverage shall be maintained to protect the LRWDB's interests, as well as the Board and LRWDB staff. The Office Manager or Executive Director shall obtain quotes for coverage annually through a local broker and make changes to carriers as needed. If the option is available, the Executive Director shall determine whether a premium-based or self-insured program is most appropriate. The LRWDB shall make records available to carriers who conduct audits.

The LRWDB shall maintain insurance policies for the following:

- Worker's Compensation
- Arkansas Unemployment Insurance
- Building and Contents Coverage
- General Liability

Employees of partner entities who handle WIOA funds or federal grant funds are covered, directly or indirectly, under fidelity bonds.

WIOA and federal grant bank accounts have FDIC coverage. WIOA and federal grant bank accounts with balances in excess of FDIC coverage are collaterally secured.

Contract laborers, temporary agencies and vendors providing temporary labor, such as, janitorial services, pest control, bus driving and similar services shall provide a current Certificate of Insurance prior to providing the service and shall be procured according to the LRWDB's procurement policy. Contract laborers and private vendors may be required to sign a waiver form that alleviates the LRWDB from any damages and/or injuries while on or in any of its premises.



#### 14. Property and Equipment Management/Leases

The LRWDB and partner entities must make periodic (at least annual) physical inventories of WIOA or federal grant property and reconcile differences. Property records must include identification tag numbers.

The LRWDB and partner entities must follow ADWS procedures/guidelines for:

- Lost, stolen, or damaged property
- Disposed property
- Preventing and detecting fraud, waste, abuse, and other criminal activity.

The LRWDB, from time-to-time, may lease certain equipment. Leases shall be negotiated by designated personnel upon authorization of the Executive Director.

The Executive Director and Office Manager are authorized to develop and enter into contractual agreements with vendors, bankers and third parties for the purpose of ensuring the LRWDB's general operation. The LRWDB may sub-lease certain limited space (such as offices or cubicles) for office equipment for grant or other partnership functions or enter into other expenses that may be deemed as general business operation expenses for a maximum of five years.

All WIOA or federal grant lease agreements for building space and equipment must comply with ADWS specifications.

#### 15. Inventory Management

All new acquisitions costing \$250 or more, with at least one year of useful life shall be assigned a tag number and added promptly to the inventory list maintained by designated staff. Original documentation shall be placed in the vendor file and archived with other payments in the finance department. For internal control purposes, inventory records sufficient to identify the property shall be maintained and reconciled annually. Items with a cost less than \$250 are considered supplies and shall not be inventoried.

When inventory items are relocated, the Office Manager or designee shall be provided with a completed Inventory Transfer Form immediately. The transfer shall promptly be recorded in the inventory records and the transfer forms shall be filed by fiscal year and maintained in accordance with the LRWDB's record retention policy and with the IRS, federal funding requirements, State law, as well as grant and contract terms and conditions.

All retirements of LRWDB owned property are to be approved by the Executive Director and disposition to be decided on a case by case basis. Any loss, damage, or theft of inventory property shall be reported to the Office Manager as soon as discovered. Personnel who suspect theft of property should promptly secure a police report to document the theft. The LRWDB's main office is responsible for

further investigation. Federally purchased equipment that is lost, stolen, or scrapped should be accounted for according to the awarding agency requirements.

Designated staff shall take a physical inventory at least once a year and the results reconciled with the property records. A copy of equipment inventory shall be kept and submitted annually to ADWS. All equipment purchased with WIOA funds must be tagged (if applicable or available) and noted when returned to ADWS for disposal. Federally owned inventory is to be reported annually by September.

The LRWDB retains equipment/inventory records that provide:

- Item description
- Serial, model product or other identification number
- Acquisition date and cost
- Location and condition
- Date of disposal

#### 16. Fiscal Audit

The LRWDB shall obtain an audit of its financial statements by a Certified Public Accountant on an annual basis. The LRWDB shall plan and schedule the audit to be completed no later than 9 months after the close of each fiscal year. The LRWDB shall submit the audit and the data collection form to the Federal Clearinghouse the earlier of a) 30 days after receipt of the audit or b) nine months after the end of the audit period.

The LRWDB shall procure the audit every 4 years by advertising in at least 1 state circulated newspaper for a minimum of 1 day and advertising by other means deemed necessary and appropriate. The LRWDB may also solicit bids from firms that have shown interest in the past. Federal audit procurement standards shall be followed. Upon receipt of bids, the Executive Director and Office Manager shall review all RFP/RFQs to ensure that each has met all the listed requirements. The Executive Director and Executive Committee shall complete the Auditor Evaluation Form for each eligible bid. The Executive Committee shall provide scoring information to Board in order for them to select the audit firm that shall be used. The LRWDB shall take affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Evaluation of bids shall be based on responsiveness to the request for proposal, relevant experience, availability of staff with professional qualifications and technical abilities, the results of external quality control reviews, and price.

Audit findings shall be followed-up on promptly and a corrective action plan shall be developed as needed. Audit findings and designated staff comment letters shall be presented to the board prior to the scheduled board meeting immediately following the completion of the audit.

In the event the LRWDB retains subcontractors and subrecipients for any contracts and/or grants, they must have an audit performed on the funds received. The LRWDB and partner entities comply with all OMB Circulars related to financial audit. Non-Federal entities that expend \$750,000 or more in a year in Federal awards shall have an audit conducted for that year. Each entity is responsible for its own audit.

LRWDB program providers must provide a copy of the latest audit to the LRWDB. The LRWDB reviews audits for findings either directly or indirectly related to the operation of the WIOA funded contract and all funded contracts. Depending on the potential fiscal risk for any noted finding, the LRWDB may request additional data or require the local monitor to review, with the contractor, at the next scheduled monitoring visit.

#### 17. Confidentiality and Records Security

Certain financial records are restricted materials with limited access. Financial and payroll information shall only be disclosed to LRWDB personnel authorized to receive such information. All others should seek access through the Freedom of Information Act to obtain the relevant information.

#### 18. Records Retention

Financial documents are retained for a period of time in keeping with the IRS, federal funding requirements, State law, as well as grant and contract terms and conditions. Records shall be filed orderly and securely and shall be destroyed in a timely manner.

#### 19. Tax Reporting

The LRWDB is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code as amended. Accordingly, no provisions for income taxes shall be reflected in the financial statements. The Federal Form 990 shall be prepared annually and timely by the LRWDB's audit firm. Other tax reporting, including those associated with payroll shall be completed in accordance with regulatory agencies in a timely manner.

#### 20. Travel Expenses

Travel expenses are generally reimbursed separately from payroll. The expenses must adhere to requirements found in the LRWDB employee policies and travel policy. When necessary, travel expenses may be reimbursed through cash disbursements with an approved travel reimbursement request form.



## **Procurement Procedures**

### **1. Competition**

Procurement shall be conducted in a manner that provides full and open competition. The LRWDB and/or the one-stop operator shall not:

- Place unreasonable requirements on firms or organizations in order for them to qualify to do business
- Require unnecessary experience and excessive bonding; accept noncompetitive pricing practices
- Promote conflicts of interest; specify only a "name brand"; or
- Require overly restrictive specifications

### **2. Bidders List**

The LRWDB and operators/partners shall maintain a current pre-qualified bidders list of person, firms, or other organizations that can be used in acquiring goods and services. The list shall include sufficient numbers of qualified sources to ensure maximum open and free competition.

### **3. Conflict of Interest**

LRWDB staff, as well as members of the Board, are prohibited from activities that may present conflicts of interest, real or apparent.

Each recipient shall ensure that no individual in a decision-making capacity, including Board members, engages in an activity, including participation in the selection, award, or administration of an award or contract supported by WIOA or federal grant funds if a conflict of interest, real or apparent, would be involved.

Such a conflict would arise when the individual, any member of the individual's immediate family, the individual's partner, or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm or organizations selected for award.

If an employee or Director has a financial interest in any transaction, the individual must fully disclose the interest and recuse themselves from involvement in that transaction. Loans to employees and Directors is prohibited. All board members, LRWDB staff and contractor staff must sign a conflict of interest statement, applicable to WIOA or any other federal grant programs, upon hire or appointment to the LRWDB. Thereafter, general conflict of interest statements shall be obtained from board members and staff annually.

#### 4. Methods of Procurement

All purchases shall be made by the method that provides the most economical and practical procurement. A list of all vendors used by the LRWDB staff will be supplied to the Executive Committee, at least once a year or on demand.

Federal and State regulations require that the LRWDB establish standards by which WIOA programs, implemented with funds awarded by the LRWDB to program providers, must abide by the Workforce Innovation and Opportunity Act of 2014, the WIOA Regulations, all applicable Office and Management and Budget (OMB circulars, state regulations in law and rules [Arkansas Code Annotated and State of Arkansas Procurement Law and Regulations], Office of State Procurement [OSP], Department of Finance and Administration [DFA], and the Arkansas Workforce Development Board [AWDB] established policies.

LRWDB procurement thresholds reflect limits as stated in State procurement policies - and are subject to change. Should State procurement thresholds change, the LRWDB will adopt the limits that reflect the most current State policy.

*Financial engagement of grant partners will be assessed to determine if a Contract or Subaward is the appropriate vehicle by which to engage a partner financially. If it is determined that the nature and scope of work is Contract in nature, then normal LRWDB procurement rules will apply, as established in this section of the Finance and Procurement Policy. If it is determined that the nature and scope of work is Subaward in nature, then normal Subaward procedures will apply, including at least annual monitoring for financial and programmatic compliance as established in 2 CFR Parts 200 & 2900*

#### 5. Small Purchases

Any procurement not exceeding a purchase price of three thousand five hundred dollars (\$3,500) shall be considered a small procurement and may be made in accordance with small procurement procedures promulgated by the AWDS under federal laws.

All small purchase procedures must use price or rate comparisons from an adequate (2 minimum) number of qualified sources. Small purchases are appropriate only when:

- a. Price is the overriding factor and may be easily quoted and compared
- b. Delivery is standardized,
- c. Performance outcomes are not dependent upon the content of goods being procured, and
- d. Purchase is made in one purchase transaction

Requisition forms, to be completed by the requesting employee, should include documentation supporting the purchase. Requisitions are to be approved by the Executive Director before the purchase is made.

For the purchase of small equipment, quotes are to be solicited from at least three vendors to secure a competitive price.

Small purchases that exceed the \$3,500 limit shall not be split into incremental payments to allow for use within the small purchase method. Such purchase attempts are deemed unauthorized and disallowed.

#### 6. Competitive Bids

Contracts exceeding an estimated purchase price of three thousand five hundred dollars (\$3,500) and below an estimated purchase price of twenty thousand dollars (\$20,000) shall be awarded, requiring two more competitive bids. Contracts exceeding an estimated purchase price of twenty thousand dollars (\$20,000) and below an estimated purchase price of seventy-five thousand (\$75,000) shall be awarded, requiring at least three bids.

- a. Bids are publicly solicited, and the procurement is awarded to the lowest bidder, resulting in a fixed-price (either lump sum or unit price) contract
- b. A grantee may solicit sealed bids under three (3) required conditions:
  - i. Complete and realistic specification of required goods or services is available and part of the solicitation,
  - ii. There are at least two responsible bidders, and
  - iii. Procurement may be made principally on the basis of price
- c. A grantee or sub-grantee may award a firm fixed-price contract for complex technical specification such as Information Technology (IT) acquisitions
- d. The requirements for use of competitive bids are specific:
  - i. Invitation for Bid (IFB) is publicly advertised and bids are solicited from an adequate (more than two) number of known suppliers
  - ii. IFB must contain all "specifications and pertinent attachments" and must define the items or services to be procured in sufficient detail for the bidders to respond properly
  - iii. All bids must be publicly opened
  - iv. A firm fixed-price contract is awarded to the lowest responsive and
  - v. Any or all bids may be rejected if there is a documented reason



## 7. Competitive Sealed Proposals

- a. Competitive sealed proposals are used when there is more than one prospective offeror, the lowest price is not necessarily the determining factor for award, and either a fixed-price or cost reimbursement agreement will be awarded.
- b. Competitive sealed proposal method seeks goods or services through a variety of methods that may be employed to achieve the results called for in the Request for Proposal (RFP).
- c. Competitive sealed proposals involve:
  - i) Solicitation of proposals through a request for proposals (RFP) in which --
    - The request for proposals shall indicate the relative importance of price and other evaluation factors;
    - Discussions with responsible offerors whose proposal have been determined to be reasonably susceptible to being selected for award and
    - There shall be no disclosure of any information derived from proposals submitted by competing offerors that would provide any competitive advantage.
  - ii) An award made to the responsible offerors whose proposal is determined in writing to be the most advantageous considering price and evaluation factors set forth in the request for proposals and the results of any discussions conducted with responsible offerors.
- c. Competitive sealed proposals require:
  - i) Publication of RFPs within a reasonable manner, with a minimum of five days.
  - ii) Notice of the specifications that provide a general description of the proposed goods or services sought and
  - iii) Identification of all the evaluation factors and their relative importance or weight in selection of successful bidders.
  - iv) Solicitation of proposals from an adequate number of qualified sources.
  - v) A method for conducting technical evaluations of proposals and

- d. Evaluation factors may focus on approach, program design, innovation, coordination, and experience.
- e. Public notice of the request for proposals shall be given in the same manner as public notice of competitive, sealed bidding.
- f. A competitive sealed proposal may be cancelled, or any or all proposals may be rejected in writing by the LRWDB.

#### 8. Competitive Sealed Bidding

Contracts exceeding an estimated purchase price of seventy-five thousand (\$75,000) shall be awarded by the Competitive Sealed Bids procurement method:

- a. "Competitive sealed bidding" means a method of procurement which requires:
  - i) Issuance of an invitation for bids with a purchase description and all contractual terms and conditions applicable to the procurement;
  - ii) Public, contemporaneous opening of bids at a pre-designated time and place;
  - iii) Unconditional acceptance of a bid without alteration or correction, except as authorized in ACA § 19-11-204 and 19-11-228 - 19-11-240;
  - iv) Award to the responsive and responsible bidder who has submitted the lowest bid meeting requirements and criteria set forth in the invitation for bids; and
  - v) Public notice.
- b. Factors to be considered in determining whether competitive sealed bidding is not practicable shall include whether:
  - i) Purchase descriptions are suitable for award on the basis of the lowest bid price and
  - ii) The available sources, the time and place of performance, and other relevant circumstances are appropriate for the use of competitive sealed bidding.
- c. When it is considered impractical to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting two (2) successive items:

- i) the submission of unpriced technical proposals, then to be followed by
  - ii) an invitation for bids limited to those bidders whose technical proposals meet the requirements set forth in the first invitation.
- d. Notice inviting bids shall be given
  - i) not fewer than five (5) calendar days nor more than thirty (30) calendar days preceding the date for the opening of bids by
    - Publishing the notice at least one (1) time in at least one (1) newspaper having general circulation in the state or
    - Posting by electronic media, but in all instances, adequate notice shall be given.
  - ii) The notice shall include a general description of the commodities, technical and general services, or professional and consultant services to be procured and shall state where invitations for bid may be obtained.
  - iii) The notice shall also state the date, time, and place of bid opening.
- e. Bids shall be opened publicly in the presence of one (1) or more witnesses at the time and place designated in the invitation for bids.
  - i) Each bid, together with the name of the bidder, shall be recorded and open to public inspection.
  - ii) Bids shall be evaluated based on the requirements set forth in the invitation for bids.
  - iii) These requirements may include criteria to determine acceptability such as:
    - Inspection
    - Testing
    - Quality
    - Workmanship
    - Delivery
    - Past performance
    - Suitability for a particular purpose and criteria affecting price such as life-cycle or total ownership costs.



- f. Bid Invitations: shall set forth the evaluation criteria to be used and no criteria may be used in bid evaluation that were not set forth in the invitation for bids.
- g. Contract Award: The contract shall be awarded with reasonable promptness by written notice to the lowest responsible bidder whose bid meets the requirements and criteria set forth in the invitation for bids.
- h. Notification to all Bidders: All other bidders requesting to be notified of the award decision shall be promptly notified of the decision.
- i. Excess of Available funds: If all RFPs exceed available funds as certified by the appropriate fiscal officer in situations in which time or economic considerations preclude re-solicitation of work of a reduced scope, the Office of State Procurement may negotiate an adjustment of the bid price with the lowest responsive and responsible bidder, in order to bring the bid within the amount of available funds.
- j. Cancellation: An invitation for bid may be cancelled or any or all bids may be rejected in writing.

9. Proprietary or Sole Source Procurement (Noncompetitive Proposals)

- a. Solicitation of a proposal from a single source, or, after solicitation of a number (more than one) of sources, competition is determined inadequate to fulfill the requirements of the funding agency.
- b. Under regulations promulgated under State procurement laws and WIOA guidelines, a contract may be awarded for a required or designated commodity or service to a sole or mandatory supplier when the Office of State Procurement Director, or a designee of the officer determines in writing that it is not practicable to use other than the required or designated commodity or service.
- c. The following requirements must be met:
  - i) The award is infeasible under one of the methods discussed above, and
  - ii) One of the following conditions apply:
    - The item is available from only one source or hidden damages are present

- Public emergency precludes delay and requires the immediate acquisition of services. In this event quotes should be obtained if possible
- d. Agency Authorization: The Office of State Procurement may authorize the specific noncompetitive procurement (upon a formal request for approval)
  - e. Competition is determined inadequate (generally after a competitive process has been used and there are insufficient bidders) unless a written determination is made that there is only one (1) source for the required or designated commodity or service, efforts shall be made to obtain price competition such as:
    - i. A cost analysis that includes verification of the proposed cost data and evaluation of the specific elements of costs and profits and
    - ii. A comparison with the agency's prior independent price estimate.
  - f. Profit must be separately negotiated in the award, and cost plus a percentage of cost agreements are not allowable.
  - g. Sub-grantees may be required to submit the proposed noncompetitive procurement to their awarding agency (i.e., the State for formula sub-grantees) for review or approval.

**Note\*: Noncompetitive procurements are allowable under 29 CFR 97.36, but they are considered a "last resort" option and used only when there is a documented reason for sole source selection. Grantees should ensure that the competitive process is open and fair and must exercise caution when using noncompetitive procurements.**

#### 10. Public Notice

Public notice shall be given at least one time in at least one newspaper having general circulation in the state. Notice will be given not less than five days or more than thirty days preceding bid opening date. The notice will include a description of procurement, where IFB, RFP/RFQ may be obtained, and the date, time, and place of bid opening.

#### 11. Bid Submission

Bidders shall submit bids at the place and on or before the date and time set. Bids received after the date and time designated for bid opening are late bids and will not be considered. Late bids will be returned to bidders unopened, provided the envelope is properly identified with a return address. Bids shall be kept secured and unopened prior to opening date.

Bids may be modified or withdrawn prior to date and time of opening.  
Bids will be opened publicly at the time and place designated.

#### 12. Bid Evaluation

Bids will be evaluated based on the criteria set within the IFB, RFP/RFQ. The following matter shall be treated with the same regards to all bids: time discounts or cash discounts shall not be considered; quantity discounts should be included in the price of the item. The unit price shown on the contract shall be the net price, less the discount; an award may be made to the lowest aggregate bidder for all items, group of items, or on an individual item basis, whichever is deemed to be in the contractors' best interest.

#### 13. Bid Award

A contract shall be awarded to the lowest responsive bidder whose bid meets all requirements set forth in the competition. All other bidders requesting to be notified of the award status will be notified of decision. If, after evaluation, it is determined that no satisfactory bid has been received, all bids may be rejected.

#### 14. IFB Unsuccessful Bid

In the event no bids were received or items bid do not meet specifications and it is apparent that further solicitation of bids would be futile, requested commodities may be purchased from any available source.

#### 15. RFP/RFQ Non-Competitive (Sole Source)

A procurement action may be initiated with the intent of open competition, but due to uncontrollable factors, the procurement might result in a noncompetitive procurement. As a minimum, advertisement for proposals must meet with the public notice section of this policy. Sole source contracts may result when a minimum of two (2) responsive offers have failed, or when only one proposal is received. The procurement must be well documented.

#### References

Workforce Innovation and Opportunity Act (WIOA) Public Law 113-128 Section 116(i),  
Fiscal and Management Accountability Systems

WIOA Section 133(c)

WIOA Section 184, Uniform Administrative Requirements

WIOA Section 194



2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

2 CFR Part 2900, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Department of Labor (DOL) Exceptions

20 CFR 683.140

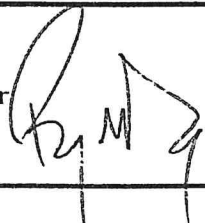
29 CFR 97.36

29 CFR 681.590

29 CFR 683.200

29 CFR 683.220

29 CFR 683.300

<b>Contact Person</b> W. J. Monagle, Executive Director	<b>Expiration Date</b> Indefinite
<b>Authorized By</b> Bryan Day, Chair  ORIGINAL	<b>Resolved</b>

Policy Review Date: 3/31/22