



Ohio Administrative Code

Rule 5101:9-7-04 Workforce Innovation and Opportunity Act (WIOA) local area financing and cash management.

Effective: February 25, 2017

The following accounting procedures are necessary for local accountability in the financing and cash management of federal and state funds.

(A) Financing.

The total cash payments to the WIOA local area are disbursed weekly to the areas designated fiscal agent, upon receipt of the draw request for funds. Each local area and subrecipients of the local area shall establish and maintain a workforce development fund to be used for all deposits and disbursements of funds for all WIOA activities. Available funds are limited by state appropriation and federal award. All payments are issued via electronic funds transfer (EFT) to the fiscal agent.

(B) Cash management.

When a local area is funded on a reimbursement basis, program costs are paid with local funds before reimbursement is requested. When funds are drawn in advance, the local area shall follow procedures to minimize the time elapsing between the transfer of funds from the state and local disbursement. Disbursements to a local area administering federal programs shall cover allowable expenditures consistent with federal and state regulations.

(1) A local area may submit requests for cash draws weekly. Requests are processed by ODJFS within six working days. In accordance with the Cash Management Improvement Act and Title 29 C.F.R. 97.20, cash drawn in advance must be limited to the minimum amount needed for actual, immediate requirements. The local area shall have written cash management procedures in place to ensure the time elapsing between the receipt of funds and the disbursement of funds does not exceed a ten-day average for all federal funding.

(2) Cash drawn shall be traceable to a level of program expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable rules and



regulations. The accounting systems of the local area shall support internal controls necessary to insure the reporting of activity affiliated with federal grants and state funds remain separated on a grant, program, or project basis.

(C) Quarterly cash on hand calculation.

(1) The county finance information system (CFIS) calculates the area's average number of days of cash on hand on an individual grant basis. This information is based on expenditures and cash draws reported in CFIS in accordance with rule 5101:9-7-29 of the Administrative Code and reflected on the CFIS over/under report. The average number of days of cash on hand is calculated as follows:

(a) The cash on hand amount is calculated by deducting the total reported expenditures over the lifetime of the funding source, up to the budgeted amount, from the total amount of cash draws over the lifetime of the funding source.

(b) The daily average expenditure amount is calculated by dividing the total reported expenditures by the number of calendar days the funding has been available; and

(c) The average number of days of cash on hand is calculated by dividing the cash on hand amount calculated in paragraph (C)(1)(a) of this rule by the average daily expenditures amount calculated in paragraph (C)(1)(b) of this rule.

(2) At the end of each quarter, the WIOA local area shall review the CFIS cash on hand report to ensure compliance with paragraph (B)(1) of this rule.

(a) If an event, beyond the reasonable control of the local area, results in non-compliance with the cash management requirements, the local area shall document the event.

(b) If circumstances resulting in the non-compliance are caused by internal control deficiencies or operational processes, the local area shall document the steps implemented to avoid a reoccurrence.

(3) Continued non-compliance may result in ODJFS restricting the agency's draws to ensure the cash management practices are in compliance with paragraph (B)(1) of this rule.



(D) Quarterly interest liability/program income.

An interest liability accrues if federal funds are received prior to the day the funds are paid. In accordance with 2 C.F.R. 200.305 (b)(9), up to five hundred dollars per year of interest earned may be retained by the local area for administrative purposes. Any additional interest earned on WIOA funds must be treated as program income and must be used before the local area requests additional WIOA draws. Reported earned interest must be expended before the end of the quarter in which it was received. A local area shall calculate and report earned interest as a receipt in accordance with this rule. Earned interest can only be used for the intended program and shall be held in the local account.

(E) Local area accruals and liquidations of accruals.

As expenditures are incurred, they become accrued expenses and shall be reported as accruals. At the time the accrual is liquidated (disbursed), the local area may draw down funds and shall report the disbursement of the accrual as expenditure for that quarter. All accruals shall be liquidated by the end of the period of availability.

(F) The local area shall maintain documentation in accordance with the records retention requirements in rule 5101:9-9-21 of the Administrative Code. This documentation may be subject to inspection, monitoring, and audit by ODJFS and the Ohio auditor of state.