

**SHENANDOAH VALLEY WORKFORCE DEVELOPMENT BOARD, INC.  
FISCAL POLICIES AND PROCEDURES MANUAL**

**OVERVIEW**

The Shenandoah Valley Workforce Development Board, Inc. (SVWDB) has established a financial management system designed to safeguard the Department of Labor's (DOL) Employment and Administration (ETA) Workforce Innovation and Opportunity Act (WIOA) program grant funds, as well as any other grant funds under its oversight. This system is based on two key principles aimed at minimizing the risks of fund loss, fraud, or theft: requiring dual signatures on financial documents and maintaining a separation of accounting functions.

Additionally, SVWDB holds a Fidelity Bond equivalent to its annual budget, currently set at \$ 4 million. The Board has implemented procedures to detect and prevent the improper use of funds by contractors authorized to implement programs and disburse these funds.

As a publicly funded agency, the SVWDB must adhere to specific fiscal requirements set by the Department of Workforce Development and Advancement (Virginia Works) and the US Department of Labor (DOL). These requirements include:

- a) The timely use of funds, which necessitates the full expenditure of funds awarded for any program year within that program year and in the subsequent program years for which the funds were granted.
- b) Compliance with mandated expenditure percentages for cost categories and programs. Notably, administrative costs are restricted to 10% of the funds available under WIOA and DOL grants.

**REFERENCE**

One-Stop Comprehensive Financial Management Technical Assistance Guide – Chapter II-2: Financial Management Systems  
20 CFR 683.215

**INTRODUCTION**

The requirements for administrative and financial management systems applicable to all nonfederal entities that function as subrecipients or recipients of ETA grant funds are specified in 2 CFR§ 200.302.

The administrative rules applicable to the use and protection of ETA grant funds are found in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 and the Department of Labor's specific addenda at 2 CFR 2900. In addition to specific rules on property management, payments, reporting, and other grant management topics, both 2 CFR 200 and 2 CFR 2900 lay the framework for grant management by defining and describing a system that properly accounts for and manages grant funds.

## FINANCIAL MANAGEMENT SYSTEM REGULATORY STANDARDS

2 CFR §200.302 establishes standards that must be incorporated into the financial management systems of grantees and subgrantees. Financial Management systems (including records documenting compliance) must be sufficient to prepare required reports and trace funds to an expenditure level adequate to establish that funds were used in compliance with Federal Statutes, Regulations, and Federal award terms and conditions.

**Identification of Federal Awards:** Financial management systems must be sufficient to identify all federal awards received and expended, as well as the federal programs under which they were received. Identification must include the CFDA title and number, Federal award ID number and year, name of federal agency, and the name of the pass-through agency (if applicable).

**Financial Reporting.** Accurate, current, and complete disclosure of the financial results of ETA grant activities must be made in accordance with ETA grant reporting requirements and in accordance with requirements at 2 CFR§ 200.327 – Financial Reporting and 2 CFR§200.328 – Monitoring and reporting program performance. This means that the allowable costs reported to the Federal funding source must be traceable to accounting records.

**Accounting Records.** All grantees must keep records that adequately identify ETA grant funds. The records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. The records must be maintained in accordance with Generally Accepted Accounting Principles (GAAP). Grantees and subgrantees may use either the cash or the accrual method of accounting; however, expenditures must be reported to the ETA on an accrual basis. If the records are maintained on a cash basis, the grantee or subgrantee must usually maintain a set of linking records, typically accrual spreadsheets, so that the reported costs are traceable during monitoring or auditing to the official accounting records or books of account.

**Internal Control:** Effective control and accountability must be maintained for all grant and sub-grant cash, real and personal property, and other assets. Internal controls are designed to safeguard Federal funds. For example, payments may not be authorized solely by an employee who also has the authority to sign checks. Internal controls for property are often inherent in the inventory system that tracks purchases, locations, and use of property procured with grant funds. Grantees must adequately safeguard all such property and must ensure that it is used solely for authorized ETA grant activities, including shared One-Stop activities.

**Budget Control.** Actual expenditures or outlays must be compared with budgeted amounts for each grant or sub-grant. This is often referred to as a "planned vs. actual" analysis. The results of such analyses are used to preclude overspending and/or to modify contracts and grant agreements. For non-formula grants, the information is also used to ensure compliance with the budget line-item flexibility provision specified in the grant terms and conditions. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. This information should be used to develop plans and monitor.

**Source Documentation.** Accounting records must be supported by source documentation, such as canceled checks, invoices, purchase orders, paid bills, payroll records, time and attendance records, contract and sub-grant award documents, and tax records. Source documentation is proof that costs reported to the granting agency are, in fact, allowable and allocable to the grant. This documentation must be available for review by awarding agency representatives and auditors and must directly relate

to the costs claimed on financial reports.

**Cash Management.** Procedures for minimizing the time elapsing between the transfer of funds from the US Treasury and disbursement by grantees must be followed whenever advance payment procedures are used. When advances are made using Payment Management System (PMS)/electronic transfer of funds (ETF) methods, the grantee must forecast cash needs to ensure that cash is received as close to the time of actual disbursement as possible. Grantees must also monitor the cash received by their subgrantees to minimize cash on hand. In addition, they must ensure that the sub-grantees' cash management procedures conform substantially to the same timing and amount standards that apply to the awarding entity. A further discussion of the cash management requirements is found in Chapter II-6, Cash.

**Allowable Costs.** Applicable OMB cost principles, ETA grant regulations, and the terms of the grant and subgrant agreements must be followed in determining the reasonableness, allowability, and allocability of costs. Only allowable costs may be charged to an ETA funded grant, and no grant may pay for more than its fair share of the costs (allocability). This means that the grantee must determine which costs incurred by the organization are reasonable and allowable, in accordance with the guidelines specified above, and allocate them to the appropriate funding source based on the activity involved.

## **I. INTERNAL CONTROLS**

### **Staff Assignments**

The SVWDB has established internal controls by separating accounting functions among staff to prevent the misuse, fraud, or abuse of Federal funds. The following staff positions are involved with the receipt and disbursement of funds.

#### **CFO**

- Oversee the Fiscal Department and all fiscal procedures. Maintains all accounting journals and entries.
- Preparations required external and internal reports. Approves non-grant specific invoices.
- Approves purchase orders.
- Compares Vouchers, Invoices, and supporting documents for proper amounts, dates, and coding to the appropriate funding source, and approves Vouchers for payment.
- Provides the Grant Accountant with the correct number of blank checks needed.
- Compares prepared checks to vouchers and signs checks.
- Reviews & approves timesheets and staff travel when the CEO is not available, and signs.
- Reviews & approves the CEO's travel reimbursements.
- Confers with the CEO for the second signature, presents vouchers with original source documents, and checks for signature.

#### **Grant Accountant**

- Audits invoices for accuracy and completeness, including authorization signatures, and acknowledges receipt of goods.
- Enters original invoice information into GMS, which generates a voucher and creates an accounts payable file.

- Proofs the Voucher Document and compares it to the original invoice.
- Provides vouchers and original invoices to the CFO for approval. Upon receiving approved vouchers, prepare checks using GMS. Compares vouchers to invoices and checks.
- Provides prepared checks, vouchers, and invoices to the CFO.
- Prepares vouchers for the voucher book (stamps paid to source documents; attached payment labels).
- Proof vouchers for any missing documentation or signatures.
- Deposit checks received in the mail.
- Opens mail with the CFO, directs bills to the appropriate staff.
- Prepares check envelopes for mailing and completes mailing. Before mailing, the payment voucher is compared to the check amount and payee. A copy of the check register records the date the check is mailed or hand-delivered to the payee, and this copy is maintained to trace the payment.

### **Chief Workforce Officer & Program Director**

- Reviews and authorizes Expenditures for each grant or contract administered by the position.
- Reviews payment vouchers for proper program expenditures and authorizes payment by signing the voucher. Approve purchase orders according to policy.

### **CEO**

- Approves purchase order according to policy.
- Approves staff timesheets, thereby authorizing payroll expenditure.
- Approves the salary worksheet to be submitted to the outsourced payroll firm.
- Compare prepared Voucher Documents to attached original invoices and signs.
- Vouchers authorizing payment as needed –in the absence of the CFO.
- Receives and reviews required internal reports.
- With the CFO, approves check reconciliation.
- Compares prepared checks to vouchers and signs checks.
- Opens reviews and approves bank statements.

**Executive Committee** - The Board Chair and Secretary/Treasurer have check-signing authority. The Board Chair reviews and approves the CEO's timesheet.

## **II. ACCOUNTING**

The SVWDB maintains automated accounting and reporting systems. All accounting functions are performed by the SVWDB, except payroll, which is outsourced for security. Currently, the Grants Management System (GMS) handles all accounting functions. Staff must receive training to use GMS, either from GMS or knowledgeable SVWDB staff. Detailed guides are available online in the GMS help section.

The SVWDB maintains a chart of accounts that segregates costs and activities into discrete accounts

sufficient to track the spending of grant funds and applicable activities, with expenditure caps or in accordance with the program's regulations. The chart of accounts segregates program income from other income accounts to ensure it is captured completely and accurately.

The following describes the accounting activities that occur each month.

1. **Accounts Payable Function:** The Fiscal Department creates accounts payable vouchers that are entered into the accounting system. Vouchers are created, including invoice authorization and cost classification by funding source and line item.
2. **Cash Disbursements Journal:** The Fiscal Department maintains an automated Disbursements Journal. Entries to the Disbursements Journal include the date, payee, check number, voucher document number, and check amount for each check written by the SVWDB. This is an automated function of the accounting system created when checks are written. Disbursements Journal entries are completed for each check-writing cycle.
3. **Payroll Journal:** The Fiscal Department maintains an outsourced Payroll Firm. Payroll Entries are made through General Journal entries. Entries to the General Journal are made at the end of the month's check-writing cycle. Entries to the Timesheet Journal are made from each employee's timesheet for the grant division and from Payroll Accounting.
4. **Cash Receipts Journal:** The Fiscal Department maintains an automated Receipts Journal. Entries to the Receipts Journal are made from the Receipt of Funds Summary. Entries include the deposit date and amount, and are entered by funding source. Total cumulative receipts by funding source and year are calculated and maintained. Entries to the Receipts Journal are made during each receipts and disbursements cycle.

### **III. FINANCIAL REPORTING**

The reporting system is designed to use data from the accounting system to produce required state and federal financial reports and generate necessary management reports for the SVWDB.

The Fiscal Department develops internal financial reports for use in preparing required reports, desk monitoring SVWDB internal and Contractor expenditures, and program evaluation, as well as reports presented to board membership.

1. **Internal Budget Reports:**

All SVWDB internal operating expenses are by budget line item. Entries are identified as charged to the Cost Pool or to a specific funding source. Year-to-date totals are calculated, subtracted from the budgeted amounts, and the balance is presented for each line item. This Statement is prepared monthly as part of the accounting journals and compares the budget to expenditures. At least quarterly financial reports, or more often as the board determines, are prepared for the finance committee and presented at each board meeting.
2. **Monthly and Quarterly Expenditure Report:**

The CFO prepares and proofs required monthly, quarterly, and final expenditure reports for submittal to the Virginia Works and DOL for each funding source. All reports are compared against GMS reports for accuracy. Any SVWDB signatory authority can sign the required reports prior to submittal. An informational copy of each report is provided to the CEO.

  - a. Monthly reports are required by the Virginia Works grants. The reports reflect

cumulative year-to-date expenditures. A separate report is submitted to Virginia Works for each funding source year by title and subtitle. Expenditures versus the budget are reported by each cost category. (Details on preparation of Virginia Works and DOL reports are in a separate document.)

#### *Processing Procedure*

The CFO prepares the report using the information from the automated GMS report and an Excel spreadsheet for all titles. This report is proofed by the fiscal staff for accuracy. The completed report is signed by any SVWDB authorized signatory and submitted to Virginia Works within 25 days following the last day of the completed month. An informational copy is submitted to the CEO, and a copy is retained by the Fiscal Department.

- b. DOL requires the 9130 Quarterly Expenditure Report. The reports are submitted electronically. Instructions for the report can be found on the DOL website. A password and pin number are assigned by DOL and required to submit the report. The GMS System generates numerous reports. Major financial reports generated on a monthly basis include:

- Balance Sheet
- Revenue/Expense by Contractor
- Revenue/Expense by Cost Category by Contractor
- Agency-wide Revenue Expense Report
- Timesheet summary by employee or activity

### 3. Contract Closeout and Grant Settlement:

The Contract Closeout and Grant Settlement are submitted by all recipients of contracts awarded by the SVWDB. The Fiscal Department annually develops and issues a Contract Closeout and Grant Settlement package, including the reports required to reconcile payments received by the Contractor with documented contractor expenses.

While the requirements of the package may vary to meet SVWDB closeout requirements established by Virginia Works, typically, the closeout package contains the following elements:

- Instructions for completing the package and submittal requirements;
- A Preliminary Closeout Report;
- A Final Contract Expenditure Report;
- A Contractor's Release Statement (releasing the SVWDB from any future liabilities);
- A Contractor's Assignment of Refunds, Rebates, and Credits Statement;
- A Schedule of Unpaid Liabilities; and
- A final Inventory Report.

#### *Processing Procedure*

- The SVWDB receives Grant Closeout requirements from Virginia Works for the end-of-program-year closeout of grants awarded to the SVWDB.
- The CFO develops the Contract Closeout and Grant Settlement package

designed to reconcile contract expenditures with payments and to meet all other reporting and information requirements of the SVWDB and the Virginia Works.

- The CFO issues the package to all contractors to be completed and returned to the SVWDB.
- Preliminary and Final Closeout reports are used to complete SVWDB Grant Closeout reports to Virginia Works.
- The CFO reviews preliminary and Final Closeout reports for accuracy, and any inconsistencies are reconciled with the Contractor.
- Any refunds due to the SVWDB are submitted with the Final Closeout report; any payments due to the Contractor are issued based on the Final Closeout Report.
- Preliminary and Final Closeout reports are maintained on file by the Fiscal Department.

#### 4. SVWDB Grant Closeout Report:

The SVWDB Grant Closeout Report is submitted by the SVWDB to Virginia Works, upon request, for all grants awarded by Virginia Works. This is only completed for the Virginia Works when the grant period ends, not annually.

##### *Processing Procedure*

- The SVWDB receives the Grant Closeout Report requirements from Virginia Works.
- The CFO completes and submits the report in accordance with Virginia Works' requirements.
- Any refunds due to Virginia Works are submitted with the final report, and payments due to the SVWDB are made based on it.
- Based on the Final report, unspent grant funds that do not exceed an allowable level, as determined by Virginia Works policy, are identified as allowable carryover and added to the subsequent year's grant award.
- Unspent grant funds that are in excess of the allowable level may be requested from the Virginia Works, as a request to waive the requirements of the Virginia Works policy establishing allowable carryover amounts. If appropriate, the SVWDB develops a waiver and submits it to Virginia Works with the Final Closeout Report.
- Preliminary and Final Closeout Reports, along with any appropriate documentation, are maintained by the Fiscal Department.

#### 5. Other Grant Closeout Procedures

Other grant funding sources instruct SVWDB on what is required to close out the grant.

## **IV BUDGET**

### **A. NOTICE OF OBLIGATION (NOO)**

#### **Definition and Description**

Notice of Obligation (NOO) is the formal notification from the Virginia Works, or DOL, to the WDB of the amount of funds that have been awarded to that WDB. The NOO delineates the funding Title and Subtitle; the award time period; the total amount of funds awarded; the amounts

of funds available by cost category; and the percentage and amount of funds required to be spent on particular youth activities, if applicable.

An NOO may be modified to reflect changes in the original award.

Federal Programs-Notice of funds available is indicated in the award document.

#### *Processing Procedure*

- The CFO receives the NOO/award document and files it in chronological order by Title and Subtitle.
- The CFO notifies the CEO and/or Grant Director that the NOO/Award document has been received.
- The CFO enters the appropriate amounts from the NOO/award document into the budgeting spreadsheets for tracking expenditures against the award.

## **B. CONTRACTOR BUDGET**

### **Definition and Description**

A line-item budget is prepared and included in any contract or agreement with any recipient of funding from the SVWDB. The line items and cost categories identified on the Contractor Budget are submitted with the contract or agreement to the CEO for review and approval.

The Contractor Budget may be modified or amended at any time during the contract or agreement period. The CFO approves changes to budgeted line items and may require written approval or a Contract Modification, at the CEO's discretion. Contractors submit revised budgets for all modifications. Modifications are not effective until approved by the CEO.

#### *Processing Procedure*

- The Operations Officer maintains a file of all contracts and provides copies to the CFO for review and use.
- The Special Grants Director maintains a file of all contracts with sub-recipients and provides copies to the CFO for review and use.
- The CFO enters the total amount of the budget by cost category and funding source into the automated fiscal system for tracking budget against availability.
- Modifications or amendments to Contractor Budgets are processed in the same manner as above.
- The following definitions are to be used in preparation of budget and expenditure reports. This may change annually.

## **V. ALLOWABLE COSTS-ADDITIONAL DEFINITIONS IN ATTACHMENT**

### **ADMINISTRATIVE COSTS**

**WIOA Title 1** defines administrative costs at 20 CFR 683.215(b) as the allocable portion of costs associated with specific functions that are not related to the "direct provision of Workforce Development services, including services to participants and employers." The administrative functions are specified to include the following:

- General administrative functions such as accounting, financial and cash management, procurement, purchasing, property management, personnel management, and payroll;
- Audit functions and those duties associated with coordinating the resolution of findings originating from audits, monitoring, incident reports, or other investigations;
- General legal services;
- Oversight and monitoring of administrative functions;
- Goods and services used for administrative functions;
- Travel costs incurred for official business in carrying out administrative functions;
- Developing systems, including information systems, related to administrative functions;
- The costs of awards made to sub-recipient or vendor organizations for administrative services of the awarding agency (for example, a payroll service for the staff or participants);
- Fiscal agent administrative costs.

The intent of these regulations is quite clear. Only costs directly associated with the administrative management of the programs will be classified to the WIOA administrative cost category. Planning is not considered an administrative cost, nor are the costs of performance tracking. Many cost objectives that would traditionally be considered administrative in nature are exempted from classification to the WIOA administrative cost category. The regulations further specify that the costs of information systems related to participant and performance information are to be charged to the program cost category.

Administrative costs are entered using the above definition. If costs are prorated across cost categories, an equitable method of proration, such as time, square footage, or other factors, must be used.

## **VI. POLICIES**

The SVWDB has adopted specific policies addressing fiscal-related activities. The following policy statements should be considered as part of related fiscal operating procedures.

### **A. Audit:**

The SVWDB shall, at a minimum, meet the requirements of 2 CFR §200.500 annually.

### **B. Administrative Cost Pool and Planning Pool**

The SVWDB will utilize the principles of an administrative and/or program cost pool for distributing SVWDB internal administrative/program costs to appropriate WIOA and other funding sources. Certain administrative and program activities can be identified with a specific WIOA or other funding source and may be charged directly to that source rather than distributed through the cost pool methodology.

### **C. Bank Accounts**

The SVWDB will establish an interest-bearing checking account to be used solely for the receipt and disbursement of WIOA/DOL and other grant funds. Only those individuals designated in the bank contract will have the authority to withdraw funds and or write checks against that account.

The bank selected shall provide the maximum coverage available through the FDIC for account balances.

#### D. Cost Allocation Plan-See the approved indirect cost negotiated with DOL for details

A plan will be developed annually to identify and allocate internal SVWDB operating costs to WIOA cost categories or other funding sources. Any cost allocation plan developed by the SVWDB will, at a minimum, contain the nature and extent of services provided and their relevance to the cost objective; the items of expense to be included; and the methods used to distribute the cost.

All invoices and timesheets are broken down by funding source whenever possible.

General costs that cannot be assigned to a direct grant are pooled in an "indirect cost pool," which is broken out by the GMS cost allocation process.

Timesheets are summarized year-to-date in the GMS accounting system. Indirect charges on the timesheet are allocated to funding streams based on the percentage of each directly charged funding stream.

Indirect invoice charges are automatically allocated to each funding stream by GMS at this same percentage.

The allocated charges are keyed in GMS by class, which the SVWDB uses to identify funding streams.

The Timesheet Summary Report records the time each SVWDB staff member spends performing each SVWDB function. The various functions may include, but are not limited to:

- Indirect Cost Pool
- WIOA Administrative Cost Pool Adult, Dislocated & Youth Planning
- Other projects as received.

The Timesheet Summary Report calculates the amount and percentage of staff time spent on each function to determine the staff costs to allocate to each function.

#### E. Contractor Liability

Any contractor or recipient of funds from the SVWDB shall be held liable for any disallowed cost incurred. Such recipient shall immediately reimburse the SVWDB for any cost disallowed by the SVWDB CEO. The SVWDB CEO shall notify the recipient in writing of the nature and amount of the disallowed cost and submit a copy of the notice to the SVWDB CEO.

In the event of a dispute resulting in an appeal, the recipient shall, within 15 days from the date of receipt of the CEO's decision disallowing the cost, place in escrow with the SVWDB an amount equal to the questioned cost pending a final decision. (Cross-reference with revised general provisions)

Income produced by any program must be either returned to the SVWDB or used in the continuance of that contract. Records must be maintained to support the income and expenditure.

Each contract includes detailed cost categories and adheres to the line-item definitions in WIOA and SVWDB policies.

## F. Contractor Expenditure Report Documentation

All Contractor Expenditure Reports submitted to the SVWDB shall be signed by the Contractor's authorized representative, who shall verify the report's accuracy and completeness.

## G. Signature Authorization

The SVWDB maintains a policy of limited and separate signature authorization on primary documents used to generate expenditure of funds. Three staff positions have been identified as authorized signatories for checks and voucher approvals: the CEO, Operations Officer, and CFO. Secondly, there are four primary documents used to authorize the expenditure of funds: purchase orders, the source document or invoice requesting payment, the Voucher Document, and the check issued for payment.

The SVWDB policy requires separate signatures on each of the three primary documents and dual signatures on each check issued for payment. Therefore, completing an expenditure transaction requires approval from at least two separate staff members. In addition, each source document submitted for payment will generally have been reviewed and approved by one additional staff member. If two of the three authorized staff signatories on checks are not present, the second check signatory will be the Board Chair or the Secretary/Treasurer (Finance Committee Chair).

## H. Purchasing

The CFO, CEO, or Grant Project Director can authorize SVWDB purchases by signing a purchase order. All procurement will be in accordance with the requirements established by the OMB Uniform Guidance, the Department of Labor, and Virginia Works. The local jurisdiction, the grant recipient, may have additional policies to be followed. Procurement Policy attached.

## I. Retention of Records: Policy attached

All records must be maintained for at least 3 years after the audit is performed or longer if required by a specific grant. Tax records are maintained as required, and records related to equipment purchases and inventory are maintained in accordance with the policies established by Virginia Works or DOL. Subcontractors are notified of requirements in the general provisions, contracts, and during the closeout process.

## J. Bank Statement Reconciliation

See Bank Statement Reconciliation Procedure (Attached).

## K. Costs of Compensation

Section 2 CFR § 200.430 states that the costs of compensation are allowable to the extent that they are reasonable for the services rendered, that they conform to the entity's written policy that is established for both Federal & Nonfederal Activities, and they follow the standards for documentation outlined within the section.

**REASONABLENESS:** The SVWDB's Chief Executive Officer (CEO) & Chief Financial Officer (CFO) conduct an informal evaluation of the positions within the organization based upon the employee profile for each position which includes that employee's annual evaluation, employee salary history, position profile, along with the benefits offered and costs of those

benefits; the employee profile is compared to salary and employment data to determine an appropriate salary range for each position.

These ranges are compared with each employee's compensation and position profile to ensure that employees are neither underpaid nor overpaid for their job functions relative to the market. Any salary adjustments must be approved in writing by the CEO and maintained in the employee's permanent employee file.

The Executive Committee determines the CEO's salary; subsequent to the aforementioned annual position evaluation, the CEO and CFO present the adjusted salary range to the Chair of the Executive Committee along with the supporting documentation, if the Chair feels that a salary increase is warranted then the Executive Committee reviews the survey documentation during a closed special meeting of the Committee and if approved the amount of the increase is determined and communicated in writing to the CEO & CFO.

## **VI. CASH MANAGEMENT**

### **REVENUE & RECEIPTS**

#### **Cash Receipts and Requests for Funds**

The Cash Payment Schedule, sometimes referred to as the "drawdown form", is used to request funds from Virginia Works. Based on the Expenditure Forecast Worksheet, the SVWDB completes the Cash Payment Schedule to reflect the amounts of funds from each funding source needed to meet the subsequent month's expenses. The CFO prepares a Cash Payment Schedule for submission to Virginia Works in accordance with the required submittal dates established by Virginia Works. The amounts and dates established on the Cash Payment Schedule are developed to coincide with the receipt of sufficient funds to pay expenses for each of the two check-writing cycles. Other grants may have different payment and funding receipt cycles. The following describes this cycle and the activities that occur each month.

#### *Processing Procedure*

- Federal grant funds are requested through the DOL payment management system. After accounts payable have been posted, reports are generated to determine the cash requirements for each federal grant. Estimates are also made of cash needs for the next cycle.
- Virginia Works Grants:
  - a. The CFO completes the Cash Request Expenditure Forecast Worksheet and provides the data necessary to prepare the Cash Payment Schedule. All anticipated expenses are forecast for each week of the month, as requested by the Cash Payment Schedule. The Worksheet identifies forecasted SVWDB operating expenses for each Contractor and for SVWDB program operations.
  - b. The CFO forecasts each expense for each week of the month for which the Cash Payment Schedule will be submitted. Expenses are forecasted based on historical information, the amount of any advance payment requests, and estimates of expenses provided by contractors.
  - c. The CFO completes the Weekly Expenditure Forecast Worksheet to establish the amount, source, and cost categories of the funds to be requested on the Cash Payment Schedule.
  - d. The CFO completes the funds requested portion of the Schedule. A separate

- schedule is prepared for each funding source.
- e. The Schedule is signed by any one of the three authorized signatories for the SVWDB and scanned to Virginia Works, with the requirement to maintain a report and backup for review. The Schedule is maintained on file and used to compare with the actual amount of funds received.
  - f. Virginia Works electronically deposits funds into SVWDB's bank account on the desired date specified in the Cash Payment Schedule. Funds are normally received the day before the date disbursements are to be distributed. Due to Virginia Works staff's holiday or vacation, this deposit may be made at an earlier or later date.
  - g. The CFO compares the electronic deposit to the Cash Payment Schedule drawdown request amount. The Grant Accountant prepares a Receipt of Funds Summary for entry in the GMS Cash Receipts Journal.
  - h. The Grant Accountant uses the electronic deposit sheet to update the Receipts Journal and compare the check amount to the funds needed per the Cash Payment Schedule. The Grant Accountant updates the Receipts Journal, maintains the Cash Receipts Journal, and prepares cash receipts entries in the GMS automated system.
- DOL Grants:
    - a. Funds are available within 24 hrs of the request being submitted by the federal government's Payment Management System. After invoices are processed, reports are generated for each grant, and funds are requested for the date of check issuance.
    - b. The "drawdown" is then electronically requested for these needed funds.
    - c. Entries to the Receipts Journal are made from the source document. Entries include the deposit date and amount, and are entered by funding source. Total cumulative receipts by funding source and year are calculated and maintained. Total disbursements are entered and subtracted from total receipts to determine cash on hand. Entries to the Receipts Journal are made during each receipts and disbursements cycle.
    - d. The Grant Accountant uses the Cash Receipts Log during the bank statement reconciliation process to compare and verify the information on the Receipts Log with the deposits recorded on the bank statement.
    - e. The CFO reviews all receipts, including electronic fund transfers and physical checks, during the Bank Reconciliation Process.
  - Other Receipts:
    - a. Funding checks received through the mail are opened contemporaneously by the Grant Accountant and the CFO and stamped "For Deposit Only". These checks are logged in a manual Cash Receipt Log, and the CFO or Grant Accountant deposits them.
    - b. The Cash Receipts Log is a record of all funding checks received by the SVWDB. The initial entry in the log is made by those persons who received the payment, copied the check & prepared the deposit ticket; once the check has been deposited, two people verify the deposit date, amount, and compare the log prior to initialing.

### **Excess Cash on Hand**

Excess cash on hand is calculated as the cash balance after each disbursement cycle. The cash balance is based on receipts minus disbursements. During the mid-month disbursements cycle, accruals to be paid by the end of the month are deducted from cash on hand. If an excessive amount of cash is on hand at the end of the disbursement cycle, it is not returned, as Virginia Works

indicates that the refund process would be too confusing.

## **VII. EXPENSES AND DISBURSEMENT & ACCOUNTS PAYABLE**

The cost allocation plan is followed, so accounts payable disbursements, including timesheets, are broken down by funding source whenever possible.

Manual allocated charges are keyed into GMS by project, which is how the SVWDB identifies funding streams. General Costs that cannot be assigned to a direct grant are pooled in an "indirect cost pool," which is broken out by the GMS cost allocation process. Indirect charges are automatically allocated to funding streams by the percentage of each directly charged funding stream in GMS. A WIOA administrative pool is charged with covering the four WDB funding streams, including administrative costs. Other grant-specific administrative charges are charged directly to that grant.

### **Monthly Accounts Payable/Disbursements:**

The SVWDB issues checks for payment of expenditures on the 15th and the last working day of each month. All monthly drawdown and payment procedures are dictated by these dates, as well as the requirement to maintain a zero cash balance.

### **Contractor Expenditures Reports**

Contractors may receive payment of expenditures on a monthly or twice-monthly basis. Contractors may submit by the 10th for payment on the 15th or submit by the 20th for payment on the last day of the month. These dates are estimates and may change due to funding or board staffing during vacations and holidays. The Contractor Expenditure Report is a line-item report of expenditures prepared and submitted by all contractors or subrecipients funded by the SVWDB. The report serves as an invoice to the SVWDB from Cost Reimbursement. The report includes entries for cash disbursements for the month, cash disbursements year-to-date, accrued expenditures not disbursed, year-to-date expenses (accrued plus actual disbursements), contractor budget, and balance. Entries to the report are made by line item by cost category. Contractors must submit a separate report for each title of funds.

#### *Processing Procedure*

- The Operations Officer/CFO, or other staff designated by the CEO, receives and reviews the report and accompanying documentation, and signs each Expenditure Report.
- The Grant Accountant enters the report into the automated GMS system. Payment can be made from faxed or scanned copies.
- The Fiscal Department holds the Report for processing during the subsequent disbursements and accounting cycle.
- The Fiscal Department processes the Report for payment in accordance with the following procedures:
  - A Voucher Document is prepared, the Report is attached, and the document is submitted to the CFO, Operations Officer, or CEO for review and signature.
  - The signed Voucher Document is returned to the Fiscal Dept.
  - The Fiscal Department makes entries to the Accounts Payable Batch.
  - The Fiscal Department completes the cycle in the GMS System and prepares the checks.
  - The prepared check and accompanying documents are returned to the CFO for review and signature.

- The Fiscal Department submits the check, with the voucher document attached, to the CEO, Operations Officer, or other designated SVWDB Board members for signature.
- The check is distributed to the Contractor either personally or by mail.
- The Fiscal Department stamps the Invoice "Paid"; enters the date of payment, and files the Report in the Voucher/Source Document file.

## **SVWDB Operating Expenditures**

The SVWDB operates from an approved annual line-item budget. The entity-wide budget is developed by the CFO, CEO, and Finance Committee of the Board and approved by the entire Board before the beginning of each Fiscal Year. The line-item budget identifies the projected expenses for all internal operational costs of the SVWDB and its staff, as well as all program funding and contractor allocations.

All other invoices associated with daily operating expenses of the SVWDB are received and verified by the process described above and are included in the check-writing cycle nearest to the bill's due date. SVWDB staff payroll is processed twice a month for hourly and part-time employees and once a month for salaried employees.

Generally, payment of SVWDB operating expenses is generated by receipt of a bill or invoice. Exceptions are fixed costs, which are established by leases or contracts, and payroll expenses. Expenses are paid during the disbursements/accounting cycle that most closely precedes the due date of the bill or invoice.

## **Voucher Documentation**

The Voucher Document is the document used to authorize payment of expenses. Voucher Documents are sequentially numbered and identify the name of the payee; the reason for payment; the signature and date of the payment authorizer; and the signature, date, and check number verifying that payment was made.

All checks issued by the SVWDB include a supporting Voucher Document, except for SVWDB payroll checks. All Voucher Documents include the source document or invoice for payment, along with a purchase order, if required. An outsourced firm writes payroll checks and does not require a staff signature. The CFO prepares the payroll authorization, which is submitted monthly to the outsourced firm and signed by the CEO or, in the CEO's absence, the Operations Officer. Voucher Documents must be presented before the checks are prepared.

### *Processing Procedure*

- All purchases are approved by someone other than the requester. Purchases are approved by the CFO, the Operations Officer, the Project Director, or the CEO prior to payment. All contracts and MOUs are approved by the CEO and the Board (where applicable).
- All original invoices are delivered to the Grant Accountant for entry into the accounting system; all terms, dates, approvals, and amounts are reviewed prior to entry, and payments are processed on the 15th and the last day of the month.
- All invoices and their corresponding payment vouchers are delivered to the CFO for review subsequent to entry. The CFO reviews all invoices for appropriate coding, proper approvals, reasonable amounts and dates, and proper allocation (where appropriate). All payment vouchers are returned to the Grant Accountant for printing checks.

- Checks are kept in a locked, fireproof file cabinet, accessible only to the CFO. For check printing, a batch of checks is signed out by the Grant Accountant, and the beginning and ending check numbers are verified with GMS for accuracy. All unused checks are returned to the file cabinet immediately after printing. All printed checks are reviewed and signed by the CFO in conjunction with the already-approved payment voucher to ensure that all dates, amounts, and payees match.
- Checks are then delivered to the CEO or, in their absence, to the Operations Officer, along with the approved voucher and supporting documentation. The CEO reviews the checks written and supporting documentation for reasonableness, validity, appropriate payees, dates, and funding streams prior to check signing.
- Checks that are signed are then delivered to the Grant Accountant, who reviews the completed/approved voucher packages to ensure all signatures/approvals are obtained and subsequently mails the checks.
- Checks made out to "Cash" are prohibited. Blank checks are never signed. Checks also have a 90-day void date from the date of issuance. Any undeliverable checks will be kept on file until the program year ends and will then be voided. Voided checks are marked as such and filed for check reconciliation purposes.
- Authorized check signers are the Board Chair, Board Secretary/Treasurer, CEO, CFO & Operations Officer.

#### **Controls to prevent duplicate payments to vendors:**

All invoices received via US Mail are opened contemporaneously by the Grant Accountant and the CFO; invoices received electronically are submitted to a separate email accessible by both employees and the Operations Officer.

All invoice numbers are entered into the accounting system as invoices are received for payment. The accounting system detects duplicate invoice numbers, and an edit check must be performed before GMS accepts the entry.

The Grant Accountant and the CFO track recurring invoices to ensure payment is made during the appropriate cycle. If an invoice is presented for payment outside of the normal payment cycle, it would be flagged for follow-up to ensure duplicate payment is not made.

Budget-to-actual reports are run for each program subsequent to entry but prior to invoice payment; any variances caused by duplicate payments would most likely be noted, and follow-up would occur.

#### **Accruals:**

GMS tracks payables as entered into the accounting system; batches are input based upon the fiscal month they relate to. Once payment is made, the payable is relieved. Receivables are entered into GMS and separately tracked in a subsidiary ledger outside the accounting system. Receivables are relieved upon payment, and accruals are relieved in the accounting system upon payment.

Year-end accruals are determined based upon examining invoices as received; those crossing fiscal years or relating to a preceding or subsequent year are accrued to the correct fiscal year as appropriate.

## **Payroll:**

Salaried SVWDB staff are paid once a month on the last working day of the month, hourly SVWDB staff are paid bi-monthly (hours for the 1<sup>st</sup>-15<sup>th</sup> days of the month are paid on the last day of the month & hours for the 16<sup>th</sup>- last day of the month are paid on the 15<sup>th</sup> day of the subsequent month, or the preceding Friday if the 15<sup>th</sup> falls on a weekend). The staff payroll is based on the Employee Profile, which the CFO maintains for each staff member. The Employee Profile identifies the staff member's pay rates. The SVWDB CEO establishes salaries for the fiscal year (July-June). Withholding taxes and any other deductions are maintained in the employee file; the outsourced payroll provider calculates taxes and withholdings based on current rates and any applicable employee elections.

The CFO prepares a summary table detailing each employee's monthly wages to be paid, which is reviewed and approved by the CEO or Operations Officer, and then submitted to the outsourced payroll provider, Bookkeeping and Management Systems of Waynesboro, VA. Payment is made to all employees via an ACH transaction automatically deducted from their bank accounts. The outsourced payroll provider provides SVWDB with payroll reports, which are reviewed by the CFO, entered into GMS, and subsequently reviewed by the CEO in conjunction with payroll reports as printed out from GMS. All payroll reports provided by the payroll provider are available via an online module accessible to both the CEO & CFO.

## **Timesheets**

All SVWDB staff maintain and submit monthly timesheets. Staff Timesheet records daily hours by activity performed or by leave status. Activity or leave is recorded to the nearest half or whole hour. The Staff Timesheet is used to report and maintain a record of leave taken by staff and to report and record hours spent performing the various functions of the SVWDB.

### *Processing Procedure*

- Timesheets are maintained daily by staff to properly classify work to the appropriate funding streams. All staff have been trained in appropriate charges of administrative and program activity.
- Timesheets are summarized year-to-date in the GMS accounting system. Indirect charges in the timesheet are allocated to funding streams based on the percentage of each directly charged funding stream.
- All timesheet charges are entered into GMS on a bimonthly basis; these hours drive the allocation of indirect charges, as the indirect expenditures are allocated based upon salary and fringes charged to each program.
- All leave is indicated on the timesheet.
- Timesheets are submitted to the CEO, CFO, or Grant Project Director for approval. The CEO's timesheet is submitted to the Board Chairperson or, in his/her absence, to any executive board member.
- Timesheets are submitted to the fiscal department for entry into GMS by the project charged on the timesheet.
- Staff reports actual time on the timesheet. The CEO determines the allowability of inclement weather leave.
- Exempt and non-exempt FLSA status is detailed in the employee's job offer, and extended hours of work may result in overtime pay for non-exempt staff.

## **Payroll Taxes**

SVWDB Payroll Taxes include employee and employer Social Security and Medicare contributions, State and Federal withholding taxes, and State Unemployment Insurance contributions. Because the SVWDB is a nonprofit entity, it is exempt from Federal Unemployment Insurance contributions. Payroll taxes are paid in accordance with the requirements set forth by each taxing authority.

### *Processing Procedure*

The CFO reviews all prepared monthly, quarterly, and annual tax bills and reports. Tax bills are calculated after each payroll period and/or each fiscal-year quarter and prepared in accordance with the following schedules and procedures.

- *Federal Withholding taxes, Social Security (FICA), and Medicare payments:* Payment is made in accordance with the IRS's requirements for the tax bill due for the previous month's payroll; payment is made electronically by the outsourced payroll firm.
- *Federal Form 941:* This report is prepared quarterly by the Outsourced payroll firm. The form is filed by the 30th of the month following the fiscal year quarter being reported. The form reconciles Federal Withholding and FICA taxes withheld and paid during the previous quarter.
- *Virginia State Withholding taxes:* The outsourced payroll firm electronically deposits Virginia State withholding in accordance with Virginia Employment Commission tax laws.
- *Virginia Unemployment Insurance:* The Virginia Employment Commission (VEC) assesses the unemployment insurance tax amount on the first \$8,000 of wages paid to each SVWDB staff member in a calendar year; at the end of each calendar quarter, the VEC mails Unemployment Insurance tax forms for reporting and paying taxes; the outsourced payroll firm prepares and submits this information electronically.

## **Travel Expense Report**

A Travel Expense Report is used to report and document expenses incurred during business-related travel. The report identifies itemized expenses, such as transportation, lodging, meals, and other related expenses, the travel dates, and the purpose of the travel. The report authorizes reimbursement to the traveler or reconciles cash advances awarded to the traveler (if applicable).

Accompanying documentation to be attached to the report includes, but is not limited to, required receipts as identified in the SVWDB Personnel Manual, the itemized Customer Copy of credit card charges reflected on the report.

### *Processing Procedure*

- Individuals authorized by the SVWDB to receive reimbursement for travel expenses are responsible for completing and submitting Travel Expense Reports.
- Travel Expense Reports may be completed and submitted at any time following the date expenses were incurred within the following time frames:
  - All travel expenses incurred during the program year must be reported by the 10th of the month following the last month of the program year.
- Travel Expense Reports are signed by the individual completing the Report

and submitted, with appropriate documentation attached, to the Grant Director, CFO, or CEO for approval.

- The Grant Accountant reviews the Report for completeness and accuracy and files it for processing during the next disbursement cycle.
- The Fiscal Department processes the Report in accordance with the payment procedures for SVWDB Operating Expenses.

## **VII. INFORMATION TECHNOLOGY CONTROLS**

### **Accounting Software**

The SVWDB uses the Grants Management System Accounting software package, designed for use by non-profit entities that receive grant & contract funds. The software was designed to track revenues, expenditures, and budgets by funding stream and restriction type. The software also processes and allocates costs based on the user's setup of the various cost pools. The SVWDB utilizes the following modules: accounts payable, specialized cost allocation, budget preparation, payroll, cash receipts, general journal, and specialized security levels for each user based on their access rights.

GMS software is hosted on a cloud server in a controlled, locked environment and backed up nightly to additional locations in Virginia and Utah. Additionally, local backups are made daily onto the CFO's computer and to an external storage device, both of which are maintained within a locked office.

GMS software requires a unique username and password for each user during login. Each user has unique user rights defined and access to various modules within the software, as determined and reviewed annually by the CEO & CFO.

## **VIII. LOGICAL CONTROLS**

All printed financial reports are stored in the CFO's office, which is locked when unoccupied. All electronic files are stored on a cloud server with user access controls based on each employee's individual rights, as approved by the CEO. Files kept on the CFO's computer are automatically backed up weekly to an external storage device and automatically to the cloud server.

Credit cards, keys, blank checks, voided/defaced checks, tax documents, employee files, payroll files, bank reconciliations, and voucher packets are all kept within fireproof file cabinets in the CFO's office.

Logical controls are in place to prevent unauthorized access: All computers within the office require unique user IDs and passwords to log on, doors to the office suite are locked at all times, and the building is locked during the evenings.

## **SVWDB Fiscal Policies and Procedures**

### **ALLOWABLE COSTS**

Applicable OMB cost principles, ETA grant regulations, and the terms of the grant and subgrant agreements must be followed in determining the reasonableness, allowability, and allocability of costs. Only allowable costs may be charged to a federal grant, and no Federal grant may pay for more than its fair share of the costs (allocability). This means that the grantee must determine which

costs incurred by the organization are reasonable and allowable, in accordance with the guidelines specified above, and allocate them to the appropriate funding source based on the activity involved.

To determine the allowability of a cost, it must meet the seven guiding factors found in the Uniform Guidance at 2 CFR 200.403:

- Be necessary and reasonable for the performance of the Federal award and is allocable thereto under these principles.
- Conform to any limitations or exclusions outlined in these principles or in the Federal award as to types or amounts of cost items.
- Be consistent with principles and procedures that apply uniformly to both federally-financed and other activities of the organization.
- Be accorded consistent treatment.
- Be determined in accordance with GAAP.
- Not to be included as a cost or used to meet cost-sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- Be adequately documented.
- Free of conflict of interest per the SVWDB conflict of interest policy (OP 15-03).

Expenditures must be made only for activities permitted by the applicable regulations, terms and conditions of the individual award, and in accordance with the SVWDB's policies and procedures.

The SVWDB will follow the cost principles detailed in subpart E and appendices III through IX of 2 CFR part 200, including the exceptions identified by the Department of Labor in 2 CFR part 2900.

## **UNALLOWABLE ACTIVITIES AND EXPENDITURES**

The following is a list of activities and expenditures that are considered unallowable; this list is not considered exhaustive, as additional terms and conditions may be placed on individual grant agreements:

- Construction, purchase of facilities or buildings, or other capital expenditures for improvements to land or buildings, except with the prior approval of the Secretary of Labor. WIOA Title I funds can be used for construction only in limited situations, including meeting obligations to provide physical and programmatic accessibility and reasonable accommodations, certain repairs, renovations, alterations, and capital improvements of property, and for disaster relief projects under Section 170(d), WIOA, 128 Stat.1575, Youth Build programs under Section 171(c)(2)(A)(i), WIOA, 128 Stat. 1578, and for other projects that the Secretary determines necessary to carry out the WIOA, as described under Section 189(c) of WIOA, 128 Stat. 1599.
- Employment-generating activities, economic development activities, investment in revolving loan funds, capitalization of businesses, investment in contract bidding resource centers, and similar activities not directly related to training for eligible individuals, with the exception of employer outreach and job development activities, which are considered directly related to training for eligible individuals (Section 181(e), WIOA, 128 Stat. 1588).
- The employment or training of participants in sectarian activities. Participants shall not be employed in the construction, operation, or maintenance of a facility that is or will be used for sectarian instruction or as a place for religious worship. However, WIOA funds may be used for the maintenance of a facility that is not primarily or inherently devoted to sectarian instruction or religious worship if the organization operating the facility is part of a program or activity providing services to WIOA participants (Section 188(a)(3), WIOA,

128 Stat. 1598).

- Encouraging or inducing the relocation of a business or part of a business from any location in the United States if the relocation results in any employee losing his or her job at the original location (Section 181(d)(1)), WIOA, 128 Stat. 1588).
- Providing customized training, skill training, or on-the-job training or company-specific assessments of job applicants or employees of a business or a part of a business that has relocated from any location in the United States, until the company has operated at that location for 120 days, if the relocation resulted in any employee losing his or her job at the original location (Section 181(d)(2), WIOA, 128 Stat. 1588).
- Paying the wages of incumbent employees during their participation in economic development activities provided through a Statewide workforce investment system (Section 181(b)(1), WIOA, 128 Stat. 1586).
- Public service employment, except to provide disaster relief employment, as specifically authorized in Section 194(10), WIOA (128 Stat. 1606).
- Funds available to States and local areas under Subtitle B may not be used for foreign travel (29 USC 2931(e), WIA; Section 181(e), WIOA, 128 Stat. 1588).
- Alcoholic Beverages.
- Bad Debts. Any losses (whether actual or estimated) arising from uncollectible accounts and other claims and related legal and collection costs are unallowable.
- Capital expenditures for general-purpose equipment, buildings, and land.
- Capital expenditures for improvements to land, buildings, or equipment that materially increase their value or useful life.
- Consultant fees exceeding the rate of pay are found at 5 CFR §304.104, with the calculation for the maximum amount at 5 CFR §304.105.
- Contingency provisions.
- Costs of legal, accounting, and consultant services, and related costs, incurred in connection with patent infringement litigation.
- Costs of prosecution of claims against the Federal Government, including appeals of final Federal agency decisions.
- Costs resulting from nonfederal entity violations of, alleged violations of, or failure to comply with, Federal, state, tribal, local, or foreign laws and regulations.
- Donations and contributions. Additionally, costs of organized fundraising, including financial campaigns, endowment drives, solicitations of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions.
- Entertainment costs, including amusement, diversion, and social activities, and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).
- Fines and penalties.
- Fundraising and investment management costs.
- Goods or services for personal use.
- Housing and personal living expenses.
- Idle facilities costs.
- Interest attributable to a fully depreciated asset.
- Interest on borrowed capital, temporary use of endowment funds, or the use of the nonfederal entity's own funds.
- Lobbying costs.
- Losses on other awards or contracts.

- Memberships, subscriptions, and professional activity costs for social organizations or lobbying organizations.
- Organization costs.
- Selling or marketing costs. The only allowable advertising costs are those that are solely for the recruitment of personnel, the procurement of goods and services, the disposal of scrap and surplus materials, program outreach, and other specific purposes necessary to meet the requirements of the federal award.
- Rental expense for the use of a home office.
- Non-coach travel except when such accommodation requires circuitous routes; require travel during unreasonable hours; excessively prolonged travel; result in additional costs that would offset the transportation savings, or offer accommodations not reasonably adequate for the traveler's medical needs. Exceptions must be documented and approved by the CEO and CFO before travel arrangements are made.

## **PROGRAM INCOME**

Program income is defined as the gross income earned by the SVWDB that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance.

Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds.

Interest income earned on the interest-bearing checking account can be used for expenditures allowable under WIOA in the fiscal year in which it is earned; the SVWDB will account for the program income from the interest-bearing checking account using the gross income method and the transfer-of-expenditures method (see VWL 16-07).



## **Policy and Procedure**

<b>Title:</b>	Record Retention	<b>Number:</b>	OP 13-02
<b>Effective Date:</b>	July 01, 2013	<b>Revised:</b>	March 11, 2026

### **Purpose**

The purpose of this letter is to define the policy and procedures for retention of records related to activities and services conducted with Workforce Innovation and Opportunity Act (WIOA) Title I funds.

### **Reference**

PL WIOA Section 185(a)  
2 CFR §200.334: Record Retention Requirements  
2 CFR §200.335: Requests for Transfer of Records  
2 CFR §200.336: Methods for Collection, Transmission, and Storage of Information  
2 CFR §200.337: Access to Records  
2 CFR §200.338: Restrictions on Public Access to Records  
One Stop Comprehensive Financial Management Technical Assistance Guide: Chapter II-2 Financial Management Systems

### **Description**

Records shall be maintained in a suitable location based on the nature of the documents and filed in a manner supporting ease of access. They should be maintained for at least the minimum required retention period. After the record retention period, documents should be purged, stored, or destroyed appropriately. Both participant and financial records must be maintained in a locked, secured file cabinet or in another secure arrangement.

Requirements for record maintenance, retention, and access to records pertain to all major areas, including agenda and minutes of open meetings, contracts, participant records, fiscal management, and documentation in accordance with WIOA law, rules, and regulations, and guidance; all applicable OMB Circulars; and state regulations. The Shenandoah Valley Workforce Development Board (SVWDB) is responsible for establishing and maintaining adequate accounting books, records, and controls sufficient to accurately track and report all financial transactions related to work performed and costs incurred for WIOA-funded activities. The SVWDB shall retain original source documents as evidence of all work performed and costs incurred. All records, data, or information related to WIOA funds are to be retained separately and distinctively from the records pertaining to other operations of the applicable entity. Where records with one retention period cannot be separated from those with a longer retention period, both records should be retained for the longer period.

All financial, statistical, property, applicant, and participant records, along with any applicable supporting documentation, will be retained for a minimum of three (3) years following the submission of the final Grant expenditure report, the close-out package, or the completion of all audits and resolution of findings on all claims—whichever occurs last.

For example, if a participant exits the program on March 15, 2026, the three-year record retention period will begin on July 1, 2026, the start of the next program year, rather than on the exit date.

## **Procedure**

Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Federal awarding agency. The only exceptions are the following:

1. If any litigation, claim, or audit is initiated before the expiration of the three-year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved and final action has been taken.
2. Records for real property and equipment acquired with Federal funds shall be retained for three years after final disposition.

To the extent that they exist locally, documents and supporting records related to indirect cost rate computations or proposals, cost-allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates) must be retained as follows:

If submitted for negotiation. If the recipient submits to the Federal awarding agency, or the subrecipient submits to the recipient, the proposal, plan, or other computation to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts on the date of such submission. If the recipient is not required to submit to the Federal awarding agency or the sub-recipient is not required to submit to the recipient the proposal, plan, or other computation for negotiation purposes, then the 3-year retention period for the proposal, plan, or other computation and its supporting records starts at the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

Records should be kept detailing the documents maintained, the location(s) where they are retained, and the document purge dates. In the event that a local WIOA Title I service provider becomes unable to retain the required WIOA participant and financial records, or the award for service is terminated by a local workforce board, the records must be transferred to SVWDB's possession, or the possession of a new service provider, as the SVWDB may direct. Such records must be transmitted within the time period stated by the SVWDB and, for acceptance, in an orderly fashion, with documents properly labeled and filed in an acceptable condition for storage.

No service provider's records should be disposed of without the prior written approval of the SVWDB designated staff.

During normal business hours and upon written request, records shall be made available, and access shall be provided to any and all books and records pertaining to local workforce area performance of work and/or costs billed under arrangements for WIOA Title I to the Commonwealth of Virginia, Federal Funding or Regulatory Agencies, and/or their designees. Such right to audit will correspond to the above-referenced record retention period for the service provider.

In case of doubt, authorization for release or review of any public records generated fully or as part of a WIOA Title I contracted service provider's agreement with the Board should be directed to the Board staff.

In accordance with state guidelines outlined in Virginia Workforce Letter 20-07 Change 2, which addresses electronic file storage and documentation imaging standards, all Local Workforce Development Boards and their service providers are required to upload all participant documentation to the state's official "system of record," the Virginia Workforce Connection (VaWC).

If hard copies of customer documentation are retained, they must be stored in a secure and confidential location. Once electronic files have been uploaded to the VaWC, any copies on the computer should either be deleted or stored in a secure folder. Access to customer file information should be limited to authorized personnel involved in the operation and performance of workforce programs.

Personal information may be shared with partners in accordance with the SVWDB's "Confidentiality of Participant Information Policy." Additionally, any medical information related to customers should be documented on separate forms and stored separately from the main program files. To maintain confidentiality, access to these separate medical files should be restricted to the program's direct managers and SVWDB staff.

Upon the termination of a contract and the transition of program operations to another contractor, the current contractor must arrange, prior to the end of the contract, for the safe and complete transfer of all participant records. These records should be properly labeled and stored in suitable condition, as instructed by Board staff.

The contractor is responsible for providing a list of both active and inactive participants, along with a written explanation of any missing records and any other issues that may arise. This list must be submitted, and a chain of custody document will be completed at the time of the records transfer, in accordance with the procedures established by the Board. Additionally, the "Retention of Records and Access" form must be completed at the time of contract termination.

#### Revisions

November 2015 - Admin Revisions  
July 01, 2019  
March 11, 2026

**Equal Opportunity Employer/Program  
Auxiliary aid and services are available upon request to individuals  
with disabilities.**

*a proud partner of the American Job Center Network*

## **Sub-Contractor Retention of Records and Access**

As reflected in the SVWDB's General Provisions and SVWDB policy, Contractors are required to maintain records for a period of three years following the date of the grant closing report, with the exception that if any litigation or audit is begun, or if a claim is instituted involving the grant or agreement covered by the records, they will be retained until the litigation, audit, or claim is finally resolved.

Financial records must be maintained to support payments received for services and be accessible for review by SVWDB, state, and federal review or audit staff.

To implement the SVWDB policy and contractual provisions, the SVWDB must be able to contact the contractor's Responsible Party to access these records, if necessary. Please provide the following information.

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**Name of Organization and Title(s) of Funds**

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**Name of Contractor Representative Responsible for the Records**

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**PO Box or Street Address**

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**City, State ZIP**

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**Telephone numbers (List at least two separate numbers)**

I understand that I am responsible for maintaining contractual records in a secure file for the retention period. I will contact the SVWDB immediately if any of the above contact information changes.

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**Signature and Date**

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**Printed Name & Title**

# SHENANDOAH VALLEY WORKFORCE DEVELOPMENT BOARD, INC.

## PROCUREMENT AND INVENTORY POLICY

To be included in the fiscal manual

### **Purpose**

This document provides guidelines regarding the procurement, purchase, inventory, and disposal of equipment and property purchased with U.S. Department of Labor funds.

### **Reference**

WIOA Sections 121 and 181(b)(4)

2 CFR Part 200, Subpart D: Post-Federal Award Requirements Property Standards

2 CFR Part 200, Subpart E: Cost Principles-Special Considerations for States, Local Governments, and Indian Tribes

2 CFR §200.12: Capital Assets

2 CFR §200.20: Computing Devices

2 CFR §200.48: General-Purpose Equipment

2 CFR §200.58: Information Technology Systems

2 CFR §200.89: Special-Purpose Equipment

2 CFR §200.94: Supplies

2 CFR §200.313: Equipment

2 CFR §200.439: Equipment and Other Capital Expenditures

Virginia Workforce Letter (VWL) 16-08, Change 2

### **Definitions**

#### **Equipment:**

Tangible, non-expendable personal property (including information technology systems) with a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level set by the non-Federal entity for financial statement purposes, or: \$5,000 for funds awarded before 10/1/2024; \$10,000 for funds awarded on or after 10/1/2024.

#### **Fair Market Value:**

- For Sale purposes: The selling price of an item sold through auction, advertisement, or a dealer.
- For Retainage purposes: The value of similar items offered for sale, using the known selling price if available.

#### **Acquisition Cost of Purchased Non-expendable Personal Property:**

The net invoice unit price of the property includes the costs of modifications, attachments, accessories, or auxiliary equipment needed to make the property usable for its intended purpose. Other charges, such as transportation, installation fees, taxes, duties, or protective in-transit insurance, will be included or excluded from the acquisition cost based on the contractor's regular accounting practices.

**Excess Property:** Property under the control of a Federal agency which, as determined by the head thereof, is no longer required for its needs.

**Federally Owned Property:** Government-furnished property or property acquired with federal funds to which the government holds title.

**Exempt Property:** Tangible or intangible personal property acquired in whole or in part with Federal

funds, title to which is vested in the recipient without further obligation to the Federal government.

### **Description**

WIOA Section 184(a)(2)(A) mandates that every state, Local Workforce Development Board (LWDB), and service provider receiving funds under the Workforce Innovation and Opportunity Act (WIOA) of 2014 comply with applicable uniform cost principles, including the Uniform Guidance from the federal Office of Management and Budget (OMB).

To ensure that the SVWDB acquires high-quality services, supplies, and equipment at reasonable costs while maintaining competitiveness among potential providers, all purchases made by the SVWDB will adhere to the OMB Uniform Guidance and Virginia Workforce Letter 16-08, Change 2. Furthermore, any regulations and requirements set forth by Virginia Works, the Department of Labor (DOL), or the grant funder will apply if funding is received from those agencies. The procurement process will also satisfy the requirements applicable to grant recipients.

The following rules of allowability apply to equipment and other capital expenditures in 2 CFR §200.439 and §200.313 for all subrecipients:

- Capital expenditures for general-purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the awarding agency or pass-through entity.
- Capital expenditures for special-purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 (funds from awards prior to 10/1/2024 or \$10,000 (funding awarded 10/1/2024 and after) or more have the prior written approval of the awarding agency or pass-through entity.
- Capital expenditures for improvements to land, buildings, or equipment that materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the awarding agency or pass-through entity.
- Use of the equipment is for authorized project purposes during the period of performance, or until the property is no longer needed for the project. Equipment must be used in the program or project for which it was acquired for as long as needed, whether or not the program or project continues to be supported by the award.

When no longer needed for the original program or project, the equipment may be used in other activities supported by the awarding agency, in the following order of priority:

- Activities under a federal award from the federal awarding agency that funded the original program or project.
- Activities under federal awards from other federal awarding agencies. This includes consolidated equipment for information technology systems.

### **Procedure**

There are three areas to be addressed regarding equipment management activities: Acquisition, Inventory, and Disposition.

#### **A. Acquisition (Subrecipients of Virginia Works)**

- a. Subrecipients must request written prior approval from Virginia Works for equipment purchases with a per-unit cost of \$5,000 (funds from awards prior to 10/1/2024 or \$10,000 (funding awarded 10/1/2024 and after) or more. Lack of written prior approval for purchases may result in disallowed costs.
- b. Acquisition/Purchase Considerations:

The following considerations should be made prior to requesting approval from Virginia Works to utilize WIOA funds for the purchase of equipment:

- i. Is this purchase necessary and reasonable?
  - ii. Why is the purchase needed?
  - iii. Have the best products been selected?
  - iv. What procurement method will be used?
  - v. Was a lease option considered in lieu of the purchase?
  - vi. What other costs are associated with the purchase?
  - vii. Which programs will use and benefit from the equipment to be purchased?
  - viii. In the event of multiple programs benefiting from the purchase, a cost-sharing schedule must be provided with the purchase approval request. NOTE: The subrecipient must obtain prior approval, regardless of the portion of the equipment purchase allocated to WIOA funds.
- c. Requesting Purchase Approval:
- i. Subrecipients must submit an Equipment Purchase Approval Request signed by an authorized signatory (See Attachment A). This form is available (in Excel format) by request to the WIOA Title I Administrator (scanned and emailed versions will be accepted).
  - ii. The purchase request, along with supporting documentation, will be reviewed for completeness and reasonableness.
  - iii. A written response will be issued by the WIOA Title I Administrator to the subrecipient within fifteen (15) business days upon receipt of a proper and complete request.
- d. SVWDB Subrecipient/Contractor Process:
- i. The SVWDB CEO and CFO are responsible for coordinating contractor activities: contractor selection for the delivery of employment and training services; the purchase of equipment and supplies; maintenance of records and inventories; and the issuance and maintenance of appropriate contractor purchasing and property procedures.
  - ii. The SVWDB CEO and CFO are responsible for ensuring that procurement procedures have been established and will periodically review adherence to established procurement procedures.
  - iii. SVWDB employees will avoid organizational and personal conflict of interest, or the appearance of a conflict of interest, in the procurement of goods and services and in the administration of state/federal funds.
  - iv. SVWDB employees shall neither solicit nor accept from any bidder, offeror, contractor, or subcontractor anything of more than nominal or minimal value.
  - v. The procurement policies of the Grant Recipient and the Commonwealth of Virginia will be followed. Additionally, specific grants may require additional procurement requirements.

### **Summary of the 2 CFR §200.320, OMB Uniform Guidance (as of February 23, 2026)**

2 CFR §200.320 outlines procurement methods for federal financial assistance and details informal, formal, and noncompetitive procurement standards. [eCFR :: 2 CFR 200.320 -- Procurement methods.](#)

#### Informal Procurement Methods

- Informal methods are used for transactions below the simplified acquisition threshold to expedite processes and minimize administrative burdens.
- **Micro-purchases:** Transactions under the micro-purchase threshold can be awarded without competitive quotes if prices are deemed reasonable. Recipients may set a micro-purchase threshold up to \$50,000 with proper documentation and justification. Higher thresholds require approval from the cognizant agency.
- **Simplified Acquisitions:** For transactions above the micro-purchase threshold but below the simplified acquisition threshold, price quotations must be obtained from qualified sources.

#### Formal Procurement Methods

- Required for transactions exceeding the simplified acquisition threshold, these methods include sealed bids and proposals.
- **Sealed Bids:** Publicly solicited bids must meet specific conditions, including adequate specifications and multiple bidders. Contracts are awarded to the lowest responsive bidder.
- **Proposals:** Used when sealed bids are inappropriate, requiring public notice and evaluation of multiple proposals based on price and other factors.

#### Noncompetitive Procurement

- This method is permissible under specific circumstances, such as when the transaction is below the micro-purchase threshold, only one source is available, or in emergencies. Written approval from the federal agency is required for other noncompetitive situations.

## B. Inventory

### Description

Local Workforce Development Boards must ensure that any property purchased with their funds is used in accordance with the law and the agreed-upon intended purpose. For the purposes of this policy, “property” includes equipment, supplies, real estate, tangible assets, data, records, and proprietary information.

The Shenandoah Valley Workforce Development Board (SVWDB) adheres to uniform standards governing the use and disposition of property acquired, in whole or in part, with state or federal funds. The SVWDB, along with all contractors and subrecipients, will comply with these standards. Property that is purchased, collected, or developed with SVWDB funds remains the property of the SVWDB and must be used for purposes authorized by the Workforce Innovation and Opportunity Act (WIOA), the Department of Labor (DOL), and the SVWDB, unless otherwise dictated by state or federal regulations.

An inventory of such property must be maintained by the board, as well as all contractors and subcontractors receiving funding through the SVWDB. The SVWDB, along with state and federal authorities, has the discretion to conduct inventories, audits, and/or repossessions of this property. Upon the termination of services with the SVWDB, a joint inventory will be conducted by the contractor and/or subcontractor and board staff within 30 days of the contract’s conclusion. The SVWDB will determine the disposition of the property. Any inventory identified as unusable will be documented appropriately. Contractors must update the inventory record log annually and provide a copy to board staff, who will maintain property records for administrative and program purposes at the board office.

Board staff will verify and reconcile the inventory annually through on-site visits to all centers.

## Procedures

### **Inventory Control Procedures**

This subsection provides standards and procedures for SVWDB's and contractors' use and control of property provided by the Department of Labor or the Shenandoah Valley Workforce Development Board (SVWDB) and property acquired with WIOA, DOL, or any other state or federal funds.

A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of any property. Authorities and the SVWDB shall investigate loss, damage, or theft of non-expendable property, and the results of the investigation shall be fully documented. In the case of theft or vandalism of property owned by the Federal government, the contractor shall promptly notify the SVWDB and the proper law enforcement officials.

The contract shall implement adequate maintenance procedures to ensure the property is kept in satisfactory working condition.

To properly control and account for property acquired with Federal funds, a physical inventory and SVWDB Property Inventory report will be conducted annually. The physical inventory will include a physical verification of each item and its condition. Any property valued at **\$5,000** or greater must be listed on the inventory record and tagged as being the property of the SVWDB. A subcontractor must obtain permission to purchase and maintain an inventory log for any property valued at \$2,500 or more. The report will identify each asset by:

1. A description of the equipment.
2. A serial number or other identification number.
3. Source of the equipment, including the award number.
4. Title holder.
5. Acquisition date.
6. Per unit cost of acquisition.
7. Percentage of Federal participation in the cost of the property.
8. Location, use, and condition of the property and the date the information was reported.
9. Any ultimate disposition data, including the date of the disposal, sale price of the property, loss, or theft.
10. An SVWDB inventory tag
11. Method of procurement.

### Inventory Control Log Procedures

Property is logged on the inventory control log as it is purchased, identifying all required areas. As a subcontractor purchases approved property, the subcontractor records it in their inventory control log and provides the same information to the board staff, who then records it in the master inventory control log maintained at the SVWDB office.

Annual physical inventories shall be taken by the contractor and the Grant Accountant or other designated representative of the SVWDB for all items of non-expendable property provided by the state or acquired with federal grant funds. The same federal property inventory form should be used to list all items of non-expendable personal property held by the contractor or used under the federal contract.

In addition, a responsible official of the contractor with designated control over equipment/inventory shall certify that the equipment/inventory records are complete and correctly list and describe all items of non-expendable personal property furnished to the contractor, or for which the contractor has been or will be reimbursed by the SVWDB. Each contractor will perform an inventory and return a completed inventory

report to the SVWDB Grant Accountant. A physical inventory shall be conducted annually of all non-expendable personal property assigned to the SVWDB Administrative Office and Workforce Centers.

#### Cannibalization of Property

Cannibalization is the removal of serviceable parts, components, or assemblies from one item of equipment for installation on another item of equipment to serve the same basic function. Cannibalization shall not be undertaken without prior approval by the SVWDB. Each request shall identify the item to be cannibalized, the parts to be removed, and the benefits to be derived from cannibalization. Upon completion of cannibalization, it shall be reported to the SVWDB.

#### Trade-In

To trade in non-expendable property, a contractor must request permission from the SVWDB. Each request should identify the item to be traded in, the reason for the trade-in, the trade-in value, the replacement item, and the acquisition cost of the new item without trade-in. The SVWDB will advise the contractor in writing of approval or disapproval.

### **C. Disposition**

#### Description

When original or replacement equipment is no longer needed for the original project or program or for other activities currently or previously supported by an awarding agency, the subrecipient must dispose of the equipment in accordance with the awarding agency's disposition instructions:

- a. Items of equipment with a current per-unit fair market value of \$5,000 (funds from awards prior to 10/1/2024 or \$10,000 (funding awarded 10/1/2024 and after) or less may be retained, sold, or otherwise disposed of with no further obligation to the Federal awarding agency.
- b. Except as provided in 200.312 Federally owned and exempt property, paragraph (b), or if the awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 (funds from awards prior to 10/1/2024 or \$10,000 (funding awarded 10/1/2024 and after) may be retained by the non-Federal entity or sold. The awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

#### Additional Considerations - Program Income:

Subrecipients may permit employers to use WIOA-funded equipment on a fee-for-service basis to provide employment and training activities to incumbent workers in the following instances:

- When the equipment is not being used by eligible participants;
- If their use does not affect the ability of eligible participants to use the equipment; and
- If the income generated from such fees is used to carry out authorized programs.

Any program income generated on a fee-for-service basis for the use of equipment should be reported in the Monthly Expenditure Detail Report (MEDR).

#### Disposition of Property from Contractor

Contractors shall report to the SVWDB all items of equipment which are obsolete, unserviceable, or not economically repairable and await disposition instructions. Under no circumstances should non-expendable property be disposed of without obtaining prior approval and instructions from the SVWDB.

Upon the final expiration or termination of a contract, a final physical inventory shall be taken of all non-expendable property acquired under the contract. The physical inventory listing will be compared with the SVWDB records, and the contractor will investigate any differences or discrepancies noted. After all property items have been properly accounted for, the SVWDB will issue disposition instructions to the contractor.

The SVWDB may require state and federal property to be returned to the SVWDB Administrative Office, or the contractor may be allowed to retain property for its use in lieu of payment of storage charges, until such time as it is needed for the operation of a state or federal program or by the SVWDB.

Transfers of non-expendable property between contractors will require prior approval of the SVWDB. The gaining contractor will be responsible for the property received and all attendant property requirements.

#### Disposition of Excess or Obsolete Equipment

The SVWDB shall determine if the equipment is workable but in excess. Such excess equipment may be stored for future use or, if it is economically unwise to store, disposed of properly. This may include submitting equipment to a disposal site or to the IT contractor, to clear all data from the electronic equipment, for disposal. Property may also be given to any other organization operating under the same federal acts. Failing that, the property may be assigned to a like agency to serve clients of a type served by the grant that procured the equipment.

#### Intangible Property

Inventions and Patents – The contractor shall promptly and fully report to the SVWDB any program that produces patentable items, patent rights, processes, or inventions in the course of work under the state/federal contract. Unless the contractor and the SVWDB previously agreed on the disposition, the SVWDB shall determine whether protection on the invention or discovery shall be sought. The SVWDB shall also determine how the invention or discovery rights, including rights under any patent issued thereon, shall be allocated and administered.

#### Copyrights

Unless otherwise provided in the terms and conditions of the contract, the contractor may copyright material or permit others to do so for copyrightable material developed under a contract. If any material developed under a state/federal contract is copyrighted, the DOL shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, and otherwise use, and to authorize others to use, the work for Federal purposes.

#### Property Records

All equipment records must be maintained from the date of acquisition through final disposition. Property records shall be retained for a period of at least five years from the date on which the expenditure was reported to the granting agency. If any litigation or audit is begun or if a claim is instituted involving the grant or agreement covered by the records, the records shall be retained until the litigation, audit, or claim has been fully resolved and final actions have been taken.

**SHENANDOAH VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**  
**BANK RECONCILIATION POLICY AND PROCEDURES**

To be included in the fiscal manual

**Purpose**

The purpose of this policy is to establish requirements for bank reconciliation procedures and the staff's responsibilities.

**Reference**

*One-Stop Comprehensive Financial Management Technical Assistance Guide: Chapter II-2 Financial Management Systems*

**Description**

GMS maintains all entries that affect cash accounts: checks, deposits, and general journal entries.

**Procedures**

Once the bank statement arrives in the mail, the Chief Executive Officer (CEO) opens it, reviews all cleared transactions, then initials and dates the statement to denote their review and approval. All cleared checks are reviewed for appropriate endorsements, check dates and amounts, the correct payee, and the sequence of check numbers.

The statement is then delivered to the Grant Accountant or the appropriate fiscal staff member, who prepares the reconciliation. During preparation, all amounts, dates, and payees are verified between the bank statement and GMS. Any additional bank fees and interest charged/received are posted as appropriate. Once properly processed, the staff date and initial the reconciliation to denote their preparation.

Once the cash account has been reconciled, the reconciliation and the original bank statement are delivered to the Chief Financial Officer (CFO) for a detailed review. A detailed review process is performed to ensure that all amounts, dates, and payees are reconciled without exception. The CFO dates and initials the reconciliation to denote their review.

The reviewed reconciliation and bank statement are then given to the CEO for an additional review. The CEO reviews the uncleared transactions, the reconciliation, and the original bank statement to ensure completeness and validity prior to securing them in a fireproof safe.

Follow GMS instructions for performing bank reconciliation. The procedure is summarized:

1. GMS Menu-Tools- bank reconciliation
2. Enter the time period from the first day of the fiscal year (June 30, 20XX) to the bank statement ending date, select cash in bank account (10000), and insert the ending balance from the bank statement. Do not change the beginning balance date.
3. Compare deposits in GMS to deposits on the bank statement and mark 'Y' in GMS for deposits on the bank statement. Print out the listings of deposits cleared and outstanding as of the bank statement ending date.
4. Compare the checks listed in GMS to those that have cleared on the bank statement, verifying the date, payee, amount, and check number, and mark "Y" in GMS for those that have cleared. Print out the check listing, showing the cleared and outstanding checks as of the bank statement ending date.
5. Compare the journal entries in GMS to the cleared items on the bank statement to determine which will affect the cash in the bank. Some of the entries include (but are not limited to): payroll checks, IRS payments for federal withholding taxes, Virginia withholding taxes, Virginia UI deposits, and

payments made to American funds on behalf of employees. Print out a listing of the journal entries outstanding and cleared at the bank statement ending date.

6. Print out the summary bank reconciliation page. The variance should be "\$0.00". If there is a variance, some of the steps detailed below can be followed to reconcile:
  - View the previous month's bank reconciliation to see if there is any issue that may affect the current month's cash.
  - Search for items such as interests and deposits that may not be posted in GMS but are on the bank statement.
  - Examine the amounts of deposits, journal entries, and all checks for variances between GMS amounts and what cleared the bank.
7. Confirm the subsequent presentation for payment of any outstanding checks that may be nearing the 90-day period; any outstanding checks that have yet to be presented for payment should be discussed with the CFO.
8. Initial GMS bank reconciliation page.

# SHENANDOAH VALLEY WORKFORCE DEVELOPMENT BOARD, INC.

## FIXED ASSET CAPITALIZATION POLICY

To be included in the fiscal manual

### Purpose

The purpose of this document is to establish Shenandoah Valley Workforce Development Board's (the "Organization's") financial accounting policies regarding the proper classification of fixed assets and the proper treatment of transactions involving fixed assets. Collectively, the policies established in this document shall be known as the Organization's capitalization policies and should be followed by all management and staff of the Organization whose job responsibilities include the management of and accounting for fixed assets.

### Reference

Training and Employment Guidance Letter No. 3-19: Real Property Under Employment and Training Administration-Funded Grants

### Definitions

What is Capitalize in Accounting?

An item is capitalized when it is recorded as an asset, rather than an expense. This means the expenditure will appear on the balance sheet rather than the income statement. When an item is capitalized, it is gradually charged to expense through depreciation or amortization and is therefore systematically charged to expense through the income statement. You would normally capitalize an expenditure when it meets both of the criteria noted below:

- Asset exceeds capitalization limit. Companies set a capitalization limit below which expenditures are deemed too immaterial to capitalize and maintain in the accounting records for a long period of time. A common capitalization limit is \$1,000. A larger company might set a higher capitalization limit, on the grounds that charging smaller items directly to expense will have no material impact on its financial statements. The materiality principle applies to the capitalization concept.
- Asset has a useful life of at least one year. If an expenditure is expected to help the company generate revenues for a long period, you should record it as an asset and depreciate it over its useful life, in accordance with the matching principle.

What is a Fixed Asset?

A fixed asset is a long-term tangible asset that a business uses in its operations rather than holding for resale. It provides economic benefits over multiple accounting periods. Fixed assets include property, plant, and equipment. They are recorded at cost and systematically depreciated over their useful lives. Fixed assets support an organization's ongoing production or administrative activities.

The key characteristics of a fixed asset are as follows:

- Long-term use. Fixed assets are intended for long-term use in business operations, typically for more than one year. They are not acquired for resale but to support the production of goods or services. Examples include buildings, machinery, vehicles, and equipment.
- Tangible nature. Most fixed assets are tangible, meaning they have a physical presence that can be seen and touched. This distinguishes them from intangible assets like patents or trademarks. Their tangible nature makes valuation and tracking easier.
- High initial cost. Fixed assets usually require a significant initial investment compared to current assets such as inventory or accounts receivable. Their acquisition often requires careful planning, budgeting,

and long-term financing. The substantial cost emphasizes the need for effective management and maintenance of these assets.

- Requires depreciation. Fixed assets, except for land, are subject to depreciation, which allocates their cost over their useful life. Depreciation reflects wear and tear, obsolescence, or the passage of time and is recorded as an expense on the income statement. This systematic allocation helps match costs with revenues generated by the asset.
- Used in operations. Fixed assets are used directly in a business's day-to-day operations to generate revenue. For example, manufacturing equipment is used to produce goods, while office buildings provide space for employees to work. Their role in operations is essential to achieving business objectives.
- Non-liquid nature. Fixed assets are considered non-liquid because they cannot be quickly converted into cash without a significant loss of value. Selling fixed assets often requires time, negotiation, and, sometimes, a price reduction, making them less useful for meeting short-term financial obligations.
- Recorded at historical cost. Fixed assets are recorded on the balance sheet at their historical cost, which includes the purchase price and any costs necessary to prepare them for use, such as installation or shipping fees. This cost basis remains unchanged, with adjustments only for depreciation or impairment.

### **Procedures**

The criteria and procedures outlined below should be followed to determine asset capitalization and exceptions.

### **Asset Capitalization**

Expenditures for capital asset additions and improvements that meet **ALL** requirements within their respective categories below are capitalized.

### **Capital Asset Additions**

Capital Asset Additions must meet **ALL** requirements listed below:

- Cost is in excess of **\$5,000**
- Useful life is expected to exceed 12 months

### **Capital Asset Addition Exceptions**

To minimize accounting for immaterial items, assets acquired or produced at a cost of less than \$5,000 must be expensed. In determining the cost of assets acquired or produced, it is appropriate to look to the total invoice price or, if multiple items are included in a single invoice, to the cost of each item. Additional costs, such as delivery fees or installation services, should **not** be considered unless they are included on the same invoice as the item itself.

Alternatively, assets (whether acquired or produced) with an economic useful life of fewer than 12 months must be expensed, regardless of acquisition or production cost. The economic useful life of an item is the period over which the property is reasonably expected to be useful in the Organization's trade or business. Factors to consider in determining this period include:

1. Wear and tear, decay, or decline from natural causes;

2. The type and date of construction;
3. The normal progress of the art, economic changes, inventions, and current developments within the industry and the Organization's trade or business;
4. The climatic and other local conditions peculiar to the Organization's trade or business; and
5. Renewal and replacement policies followed for the individual items or classes of assets involved (2 CFR §200.436(d)(1));
6. Historical data; and,
7. An appraisal of the useful life of the asset.

### **Depreciation**

Depreciation is the method for allocating the cost of fixed assets to the periods in which they benefit from use. The SVWDB and contractors may be compensated for the use of its buildings, capital improvements, equipment, and software projects capitalized in accordance with generally accepted accounting principles (GAAP), provided that they are used in, needed for, and properly allocated to the Federal award(s). Land cannot be depreciated because it is assumed to have an unlimited useful life. Capital improvements to land, however, such as paved parking areas, fences, sidewalks, and the like, can be depreciated.

Depreciation is allowed only for the portion of the capital expenditure paid with non-Federal funds; when the SVWDB or its contractor expends non-Federal funds on capital expenditure to carry out a Federal Award, the entity may charge the grant depreciation in proportion to the grantee's use. Depreciation costs may not be charged for any period during which the real property was not used for the applicable Federal grant, and depreciation cannot be charged if the purchase of the capital asset was directly charged to the Federal grant. Additionally, no depreciation can be charged on an asset that is already fully depreciated or has outlived its depreciable life, and neither the SVWDB nor its contractor can charge depreciation. A Federal grant funds both depreciation and rent for the same facility.

The straight-line method of depreciation will be used to charge the cost of the asset or group of assets to the accounting periods reflecting the pattern of consumption of the asset over its useful life. All depreciation charges must be supported by adequate property records, and depreciation records must be maintained that show the amount of depreciation taken each period.

# SHENANDOAH VALLEY WORKFORCE DEVELOPMENT BOARD, INC.

## FIXED ASSET CAPITALIZATION POLICY

To be included in the fiscal manual

### Purpose

The purpose of this document is to establish Shenandoah Valley Workforce Development Board's (the "Organization's") financial accounting policies regarding the proper classification of fixed assets and the proper treatment of transactions involving fixed assets. Collectively, the policies established in this document shall be known as the Organization's capitalization policies and should be followed by all management and staff of the Organization whose job responsibilities include the management of and accounting for fixed assets.

### Reference

Training and Employment Guidance Letter No. 3-19: Real Property Under Employment and Training Administration-Funded Grants

### Definitions

What is Capitalize in Accounting?

An item is capitalized when it is recorded as an asset, rather than an expense. This means the expenditure will appear on the balance sheet rather than the income statement. When an item is capitalized, it is gradually charged to expense through depreciation or amortization and is therefore systematically charged to expense through the income statement. You would normally capitalize an expenditure when it meets both of the criteria noted below:

- Asset exceeds capitalization limit. Companies set a capitalization limit below which expenditures are deemed too immaterial to capitalize and maintain in the accounting records for a long period of time. A common capitalization limit is \$1,000. A larger company might set a higher capitalization limit, on the grounds that charging smaller items directly to expense will have no material impact on its financial statements. The materiality principle applies to the capitalization concept.
- Asset has a useful life of at least one year. If an expenditure is expected to help the company generate revenues for a long period, you should record it as an asset and depreciate it over its useful life, in accordance with the matching principle.

What is a Fixed Asset?

A fixed asset is a long-term tangible asset that a business uses in its operations rather than holding for resale. It provides economic benefits over multiple accounting periods. Fixed assets include property, plant, and equipment. They are recorded at cost and systematically depreciated over their useful lives. Fixed assets support an organization's ongoing production or administrative activities.

The key characteristics of a fixed asset are as follows:

- Long-term use. Fixed assets are intended for long-term use in business operations, typically for more than one year. They are not acquired for resale but to support the production of goods or services. Examples include buildings, machinery, vehicles, and equipment.
- Tangible nature. Most fixed assets are tangible, meaning they have a physical presence that can be seen and touched. This distinguishes them from intangible assets like patents or trademarks. Their tangible nature makes valuation and tracking easier.
- High initial cost. Fixed assets usually require a significant initial investment compared to current assets such as inventory or accounts receivable. Their acquisition often requires careful planning, budgeting,

and long-term financing. The substantial cost emphasizes the need for effective management and maintenance of these assets.

- Requires depreciation. Fixed assets, except for land, are subject to depreciation, which allocates their cost over their useful life. Depreciation reflects wear and tear, obsolescence, or the passage of time and is recorded as an expense on the income statement. This systematic allocation helps match costs with revenues generated by the asset.
- Used in operations. Fixed assets are used directly in a business's day-to-day operations to generate revenue. For example, manufacturing equipment is used to produce goods, while office buildings provide space for employees to work. Their role in operations is essential to achieving business objectives.
- Non-liquid nature. Fixed assets are considered non-liquid because they cannot be quickly converted into cash without a significant loss of value. Selling fixed assets often requires time, negotiation, and, sometimes, a price reduction, making them less useful for meeting short-term financial obligations.
- Recorded at historical cost. Fixed assets are recorded on the balance sheet at their historical cost, which includes the purchase price and any costs necessary to prepare them for use, such as installation or shipping fees. This cost basis remains unchanged, with adjustments only for depreciation or impairment.

### **Procedures**

The criteria and procedures outlined below should be followed to determine asset capitalization and exceptions.

### **Asset Capitalization**

Expenditures for capital asset additions and improvements that meet **ALL** requirements within their respective categories below are capitalized.

### **Capital Asset Additions**

Capital Asset Additions must meet **ALL** requirements listed below:

- Cost is in excess of **\$5,000**
- Useful life is expected to exceed 12 months

### **Capital Asset Addition Exceptions**

To minimize accounting for immaterial items, assets acquired or produced at a cost of less than \$5,000 must be expensed. In determining the cost of assets acquired or produced, it is appropriate to look to the total invoice price or, if multiple items are included in a single invoice, to the cost of each item. Additional costs, such as delivery fees or installation services, should **not** be considered unless they are included on the same invoice as the item itself.

Alternatively, assets (whether acquired or produced) with an economic useful life of fewer than 12 months must be expensed, regardless of acquisition or production cost. The economic useful life of an item is the period over which the property is reasonably expected to be useful in the Organization's trade or business. Factors to consider in determining this period include:

1. Wear and tear, decay, or decline from natural causes;

2. The type and date of construction;
3. The normal progress of the art, economic changes, inventions, and current developments within the industry and the Organization's trade or business;
4. The climatic and other local conditions peculiar to the Organization's trade or business; and
5. Renewal and replacement policies followed for the individual items or classes of assets involved (2 CFR §200.436(d)(1));
6. Historical data; and,
7. An appraisal of the useful life of the asset.

### **Depreciation**

Depreciation is the method for allocating the cost of fixed assets to the periods in which they benefit from use. The SVWDB and contractors may be compensated for the use of its buildings, capital improvements, equipment, and software projects capitalized in accordance with generally accepted accounting principles (GAAP), provided that they are used in, needed for, and properly allocated to the Federal award(s). Land cannot be depreciated because it is assumed to have an unlimited useful life. Capital improvements to land, however, such as paved parking areas, fences, sidewalks, and the like, can be depreciated.

Depreciation is allowed only for the portion of the capital expenditure paid with non-Federal funds; when the SVWDB or its contractor expends non-Federal funds on capital expenditure to carry out a Federal Award, the entity may charge the grant depreciation in proportion to the grantee's use. Depreciation costs may not be charged for any period during which the real property was not used for the applicable Federal grant, and depreciation cannot be charged if the purchase of the capital asset was directly charged to the Federal grant. Additionally, no depreciation can be charged on an asset that is already fully depreciated or has outlived its depreciable life, and neither the SVWDB nor its contractor can charge depreciation. A Federal grant funds both depreciation and rent for the same facility.

The straight-line method of depreciation will be used to charge the cost of the asset or group of assets to the accounting periods reflecting the pattern of consumption of the asset over its useful life. All depreciation charges must be supported by adequate property records, and depreciation records must be maintained that show the amount of depreciation taken each period.

# SHENANDOAH VALLEY WORKFORCE DEVELOPMENT BOARD, INC.

## CREDIT CARD POLICY AND PROCEDURE

To be included in the fiscal manual

### **Purpose**

The purpose of this credit card policy is to establish guidelines for the appropriate use of organization-issued credit cards, ensuring fiscal responsibility and preventing misuse.

### **Reference**

2 CFR §200.302: Financial Management

2 CFR §200.432: Conferences

2 CFR §200.474: Transportation Costs

### **Policy**

The requirements for administrative and financial management systems applicable to all nonfederal entities that function as subrecipients or recipients of ETA grant funds are specified in 2 CFR §200.302. Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Internal controls are designed to provide safeguards for Federal and State funds. The safeguarding of access to the business credit cards is part of this internal control environment.

It is the policy of the Shenandoah Valley Workforce Development Board (SVWDB) to secure the credit cards in a limited-access file cabinet in the Chief Financial Officer's (CFO's) office. The Chief Executive Officer (CEO) and CFO have access to this file cabinet. The CEO may have a credit card in his/her possession, but must adhere to the procurement and purchase order policy for purchases.

### **Travel Policy for Use of Credit Card**

The use of the SVWDB's credit card for travel expenses is provided as a convenience for Board employees. Because the card is Board property, special care must be taken with its use. No alcohol may be charged to the credit card, even if the employee expects to reimburse the Board upon the credit card bill due date. This is to avoid the appearance of illegal use of the credit card for government funds and to avoid audit questions. Meals for non-staff should not be charged to the Board credit card unless approved by the CEO. If the employee is traveling with a spouse or with a group and only one check is available from the restaurant, a personal credit card or personal funds should be used, and the employee's charge should be submitted on a travel expense report. If an employee is traveling with a spouse and orders room service for themselves and their spouse, the employee should not charge it to the room; instead, they should pay with their personal funds and submit for reimbursement. When airline tickets are purchased, only the employee's airfare is to be charged to the credit card. Government funds cannot be used to front expenses even when reimbursements are planned. The employee can choose to use per diem, personal funds, or personal credit cards to eliminate the need for SVWDB credit card use; however, staff are encouraged to use the provided SVWDB credit card. If the per diem option is chosen, it is to be used for the entire trip. When the per diem option is chosen, and meals are charged to the WDB credit card, the employee is responsible for reimbursing the WDB. See the Personnel and Policy Manual for expanded travel reimbursement policies.

### **Procedures for Credit Card Transactions**

The CEO of the SVWDB authorizes the issuance of credit cards and their individual credit limits based on anticipated usage. Once a credit card is issued to an employee, that employee is ultimately responsible for any expenditures made on the card issued in their name.

The SVWDB processes payment in full to the credit card issuer at least monthly to ensure that the SVWDB will not incur interest charges. Each employee who is issued a credit card is responsible for completing the monthly credit card usage report detailing their credit card usage for the statement period and providing receipts for all charges incurred; if no charges occurred during the period, the report is not required. In the case that a receipt is

missing, the employee is responsible for contacting the vendor to retrieve a copy of the itemized receipt, however, if a receipt cannot be recovered, if the charge was \$10.00 or less they may receive a waiver with the written approval of the employee's supervisor, and the Chief Financial Officer and/or the Chief Executive Officer. Charges by the credit card issuer, such as the annual fee, do not require an itemized receipt. If a waiver is not obtained and the receipt is not returned within 30 days of the original due date, the employee will be responsible for paying the entire amount, including any accrued interest.

# SHENANDOAH VALLEY WORKFORCE INVESTMENT BOARD, INC.

## OBLIGATION POLICY AND PROCEDURE

To be included in the fiscal manual

### Policy

The obligation data collected by SVWDB provides a more comprehensive picture of how funds are being utilized in the current period and in future periods, as obligations represent definite commitments that will result in future expenditures. Accurate tracking of this data provides SVWDB with critical information needed to manage its grant funding over the period of fund availability.

### References

Training and Employment Guidance Letter 28-10

2 CFR Part §200.71: Obligations

29 CFR §97.3: Definitions

Federal Financial Rept. 9130 (DOL-ETA)

### Obligation Definition

29 CFR 97.3 defines an obligation as the amount of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period.

According to TEGL 28-10 (2011), an "obligation" is an act that creates a legal commitment to pay. This obligation can arise either when services are rendered or, if a binding agreement has been established, beforehand. The Comptroller General of the United States has made statements regarding obligations, defining them as a "definite commitment that creates a legal liability" and emphasizing that they are "definite and certain" (see B-136383, June 27, 1958, and B-116795, June 18, 1954). It is important to note that obligations are legal requirements and should not be confused with plans, budgets, or encumbrances.

Obligations or legal commitments include subgrant agreements, purchase orders, and cash disbursements. Projected staff time, future or projected rent payments, future or projected training, and items budgeted during the grant award period are not considered obligations.

Obligations should not be confused with "encumbrances." In accounting, an encumbrance refers to an anticipated expenditure or funds set aside for expected costs. Organizations use encumbrances to track projected or budgeted expenses that may arise in the current or future periods.

Examples of encumbrances include:

- rent payments for the upcoming year (as discussed below)
- staff salaries that will be disbursed only when the staff actually performs their work
- projected training costs for participants in year-long or multi-year training programs.

These examples qualify as encumbrances because they do not meet the stricter criteria for classification as obligations, which require that they be definite, certain, and create a legal liability. Moreover, the costs associated with these items cannot be paid before the actual work, occupancy, or training registration occurs.

Organizations often use encumbrances to set aside funds for anticipated future needs. It is important to periodically review these encumbrances, either formalizing them into obligations or liquidating them, to effectively manage fund availability and usage in line with each entity's accounting system requirements.

Using obligations as a measure of a grantee's financial performance helps establish internal controls since they are recorded in grantee accounting systems and aligned with Generally Accepted Accounting Principles

(GAAP). There has been discussion within the grantee community about whether projected training costs should be treated as obligations. However, projected training costs do not meet the definition of obligations under 29 CFR 97.3, as they are not definite and certain, nor do they create a legal liability until the participant is officially registered in a specific course.

Furthermore, a decision by the Comptroller General regarding the prepayment of tuition costs indicates that the obligation period extends only to the current term for which the participant is registered and attending classes (Comptroller General Decision [B-148283, 1962]). Therefore, while grantees need to be mindful of future needs and should have a system in place to manage them, including obligations, this would violate federal grantee accounting standards and Employment and Training Administration (ETA) reporting requirements.

There are ongoing discussions about whether leases should be reported as obligations. Since rent payments depend on continued occupancy, the only aspect of a lease that can be reported as an obligation is the amount due if the lease is canceled, commonly referred to as the cancellation penalty. The appropriate accounting treatment for an operating lease is to record only the current expenses and to include the cancellation penalty as an unliquidated obligation.

To clarify, Individual Training Account (ITA) amounts for tuition are not considered obligations when the grantee issues ITAs to a participant. They only become obligations when the participant officially enrolls in training at a specific educational institution. The issuance of the ITA serves as a budgeted limit for training expenses. An ITA represents the grantee's commitment to the participant and does not become legally binding until the participant registers for a class at an educational institution. Once the participant registers, the obligation can then be recorded. Therefore, the amounts of ITAs for which enrollments have not yet occurred are merely encumbrances used to manage fund availability and are not reported to the SVWDB or Virginia Works.

Rent payments are contingent on continued occupancy. Consequently, only the amount due if the lease is canceled—commonly referred to as the cancellation penalty—can be reported as an obligation. The correct accounting treatment for an operating lease is to record only the current expenditure, including the cancellation penalty as an unliquidated obligation.

# SHENANDOAH VALLEY WORKFORCE DEVELOPMENT BOARD, INC.

## GIFT CARD POLICY

To be included in the fiscal manual

### Purpose

The purpose of this document is to establish the Shenandoah Valley Workforce Development Board's (the "Organization's") policies regarding the proper policies and administrative procedures regarding the use of gift cards as incentives, utilizing funds from the Workforce Innovation and Opportunity Act (WIOA), Department of Labor H-1B Technical Skills Training Grants, and other grant funds.

### Background

The following defines the procedure for obtaining, securing, issuing, and reporting gift cards issued as incentives to participants in grants awarded by the Organization.

### Procedures

If the Organization's staff chooses to use gift cards for incentives or supportive services, they must maintain strict internal controls over the gift cards' custody and distribution. The following guidelines must be adhered to by staff:

#### **1. Obtaining**

- a. The employee planning to purchase gift cards must have an approved purchase order from their supervisor before the purchase.
- b. Upon purchase, the employee must turn in a copy of the purchase receipt and the gift cards to the Project Director or the Chief Financial Officer (CFO). The employee and the supervisor will log the gift card numbers and amounts to ensure all pertinent information is captured.
- c. Gift cards may not be transferred from one grant or program to another without approval from the CFO or the Chief Executive Officer (CEO).
- d. Only a limited number of gift cards will be in inventory; a maximum of 10 will be available at any one time.

#### **2. Securing**

- a. Gift cards will be kept in the locked cabinet in the CFO's office at all times.
- b. The CFO, along with the Grant Accountant, will verify the gift card inventory at the end of each fiscal quarter.
- c. The employee taking custody of the gift card to issue to the participant must sign the gift card log, verifying the participant's name, the gift card's denomination, and the last five (5) digits of the gift card's serial number. The CFO or Grant Accountant will verify this information in conjunction with the employee taking custody contemporaneously.

#### **3. Issuing**

- a. The employee taking custody of the gift card will be held responsible for turning in the Gift Card Receipt Form to the CFO or Grant Accountant upon issuance to the participant.

The Gift Card Receipt Form must list the following information:

- i. Participant Name
- ii. Applicable Grant and/or Program
- iii. Reason for Award
- iv. Date of Award
- v. Gift Card Amount
- vi. Signature of Participant acknowledging receipt

- vii. Signature of the Project Director or Supervisor
- b. The Gift Card Receipt Form must be turned in to the CFO or Grant Accountant within 15 days of the issuance of the gift card; failure to turn in a completed form may result in disciplinary action.
- c. Gift cards must be handled in a manner similar to cash; gift cards may not be kept by employees overnight. All gift cards that are not issued the day they are signed out must be returned to the CFO or Grant Accountant.