

Financial Policies and Procedures Manual

Revised December 15, 2014

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Policy Statement:

The West Piedmont Workforce Investment Board (WPWIB or board) is committed to responsible financial management. The entire organization including the board, staff, contractors and subcontractors will work together to make certain that all financial matters of the WPWIB are addressed with care, integrity and in the best interest of the WPWIB and governing bodies it serves (Danville and Martinsville and the counties of Henry, Patrick and Pittsylvania, Virginia).

The policy and procedural guidelines contained in this manual are designed to:

1. Protect the assets of the WPWIB.
2. Ensure the maintenance of accurate records of WPWIB's financial activities including activities contracted and subcontracted out.
3. Provide a framework of operating standards and expectations.
4. Ensure compliance with federal, state and local legal and reporting requirements.

The WPWIB Executive Director has the responsibility for administering these policies and ensuring compliance with procedures that have been approved by the board. Exceptions to written policies may only be made with the prior approval of the Finance Committee. Changes or amendments to these policies may be approved by the board at any time. A complete review of the policies shall be conducted every two years by the Audit Committee.

All board staff, contractors and subcontractors with financial related responsibility are expected to be familiar with and operate within the parameters of these policies and guidelines.

Basic Information:

- **Nonprofit Status** – 501 (C) 3, public charity. In 2003, IRS granted the board this status, but due to incomplete reporting to the IRS over the years, the IRS thought the board was non-operating and changed its status to a non-operating private foundation on November 26, 2006. With approval from the LEO Consortium, the board was able to report financial activity to the IRS (by way of Form 990s). On December 5, 2008, the IRS reinstated board's nonprofit status to a public charity, giving the board more flexibility to raise alternate sources of revenue. A copy of this letter is on pages 8-10 in the Appendices section.
- **Federal Identification Number** – 45-0485009
- **Fiscal Year** – July to June
- **Form 990s** – Vetted annually by the Finance Committee, ratified by the board and submitted to the IRS November 15 of every year (unless an extension is warranted) and posted on the website for public inspection.

- The board purchases and maintains insurance on behalf of persons who are serving and were serving at the request of the board, as directors, officers and employees against any liability asserted against them and incurred by them in any such capacity, or arising out of their status as such.

Financial Controls and Operating Procedures:

- The board has opted to retain outside accounting services with the primary responsibility of designing and maintaining the accounting system, reconciling all transactions with the fiscal agent's income statements, reporting all expenditures to the state and assisting with processing requests for reimbursements from contractors.
- The board maintains a computerized accounting program to record and maintain all transactions. Monthly finance statements are vetted by the financial committee and reported to the board.
- **Separation of Duties**
 1. Only the fiscal agent has the authority to prepare checks.
 2. Deposit documentation and reconciliations are prepared by a person other than the one recording the receipts. Any checks received by the board are opened and dated by the person who opens the mail in the office. Upon recording the checks by the Executive Director or person assigned by the Executive Director, the checks are sent to the fiscal agent for deposit into appropriate accounts.
- **Drawdown Procedures**
 1. Contractors **at the very minimum** must submit requests for reimbursement once a month (preferable by the 15th of each month).
 2. All requests for reimbursements must be sent to the board office. Upon receipt, which is dated by the person who opens the mail, the Executive Director will review and deliver to retained accounting firm to process. Once processed, the request is returned to the Executive Director to review and to sign off on. This process does not exceed five working days on any given request.
 3. The board asks each contractor when submitting requests for reimbursements, the following procedures are adhered to:
 - A signature page is included with the request reflecting the grant administrator has reviewed and signed off on the request.
 - The board-issued budget template accompanies the request reflecting monthly expenditures to budget.
 - To process more quickly, no staples are used, only paper clips.
 4. Once reviewed, reimbursements are sent to the fiscal agent to process.
- **Monthly Income/Expenditure Detail Report and Cash Payment Schedule** are processed by a retained accounting firm and reviewed and signed off on by the Executive Director. The Executive Director sends the report and schedule to the state. Reimbursements from the state go directly to the fiscal agent. This report and schedule are reviewed by the finance committee each month.

- **Year-End Report and Close out Policy** – Under the Appendices section, go to page 11 for board adopted policy.
- **Salary and Bonuses Policy** – Under the Appendices section, go to page 12 for board adopted policy.
- **Public Procurement Policy** – Under the Appendices section, go to page 13 for board adopted policy.
- **Property Acquisition Policy** – Under the Appendices section, go to page 14.

Financial Reporting:

- Annual Administrative and unobligated program budgets are prepared by the Executive Director. Contractors of each program (Adult, Dislocated Worker, Youth In-School and Youth Out-of-School) must submit annual budgets to the Executive Director for review prior to going to the finance committee for consideration. Once the finance committee has vetted all budgets, they are reviewed by the Executive Committee prior to going to the board for consideration.
- Budgets are reviewed monthly by the finance committee and are adjusted as necessary to reflect changing conditions.
- A chart of accounts is available and used to code receipts and disbursements to the proper accounts.
- Actual income and expenditures will be compared to the budget on a monthly basis.
- Monthly financial statements are provided to the finance committee. Board receives a summary of statement of accounts and balance sheet. Upon request, more details are available.
- Income statements from the fiscal agent are promptly reconciled on a monthly basis.
- Annual audits are conducted by the fiscal agent's auditor. The Audit Committee audits contractors and admin during the self audit process. The state audits the board, contractors and subcontractors annually. On average, the U.S. Department of Labor audits the board, contractors and subcontractors every five years.

Safeguarding Assets:

- The Executive Director has primary responsibility for ensuring that proper Financial Management procedures are maintained and that all policies of the board are carried out.
- The finance committee provides fiscal oversight in the safeguarding of the assets of the board and has primary responsibilities for ensuring that all internal and external financial reports fairly present the board's financial condition.
- A proper filing system will be maintained for all financial records at the board office and off site with a retained accounting firm.

- With federal funds, the board cannot use excess cash in an interest bearing account.
- Inventory records are maintained at the board office and will contain description; serial number and manufacturer; source of property (tag type); fund source (WIA or other WPWIB funds); an acquisition date and cost; location, use, condition and date the information was reported; the date of disposal; and a unique identification number (WIA tag issued by the board). Under the Appendices section, go to page 15 for policy.
- Appropriate insurance for all assets will be maintained.

Payroll Controls:

- Personnel files are maintained by the Executive Director. Changes in payroll (salary) are board approved.
- Payroll is processed by the fiscal agent. All board employees are fiscal agent employees and must adhere to fiscal agent's employee guidelines.
- Prior to payroll being processed by the fiscal agent, all board staff must fill out a timesheet and submit to the Executive Director for approval. With signature, this timesheet is scanned and sent electronically to the fiscal agent's payroll department to process. For the Executive Director's timesheet, the board chairman or treasurer will review and sign prior to submission to the fiscal agent.
- All board staff must keep track of their time for correct cost allocation of time to the appropriate program. The cost allocation of staff time is submitted to Executive Director along with timesheets.
- The fiscal agent sends to the Executive Director twice a month a payroll register.

Disbursements:

- All invoices received at the board office are stamped with the date received by office staff and are directed to the Executive Director.
- The Executive Director must approve all invoices and expenditures prior to submission to fiscal agent.
- Once the fiscal agent has disbursed payment, a month-end disbursement report is sent to the Executive Director, along with copies of every check. These checks are attached to the invoices and filed at the board office and a retained accounting firm.

Petty Cash:

- The board has opted not to have a petty cash fund.

Custody of Records:

- Custody of Records Policy – Under the Appendices section, go to page 21. Since the custody of records policy primarily deals with client files, the following record retention schedule is adhere to as it pertains to fiscal oversight:

Business Record Retention Schedule	Years
Accounting and Fiscal	
• Accounts Payable Records	5
• Accounts Receivable Records	5
• Fiscal agents Audit Reports (as it pertains to the board)	P
• Form 990s	P
• Audit reports internal, by the state and DOL	5
• Income statements and Reconciliations	5
• Financial Statements	P
• Fixed Assets Records	P
• General Legers	P
• Invoices	5
• Payroll records	5
• Monthly Income/Expenditure Detail Report to the state	5
• Cash Payment Schedule to the state	5
• Program Year Closeout Report to the state	5
Contracts with grantees (after completion of services)	5
Personnel	
• Earnings Records	5
• Employee Personnel Files	5
• Employment applications	5
• Insurance records	P
• Retirement plans	P
• Timesheets and cost allocations of time	5
• Travel records	5
Corporate	
• Budgets	5
• Contracts (after expiration)	5
• Correspondences general	5
• Correspondences legal	P
• Insurance policies (after expiration)	P
• Inventories	P
• Leases (after expiration)	P
• Legal briefs	P
• Minutes	P

P = Permanently

Appendices

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INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **DEC 05 2008**

WEST PIEDMONT WORKFORCE INVESTMENT
BOARD
PO BOX 4043 914 BROOKDALE ST
MARTINSVILLE, VA 24115-4043

Employer Identification Number:
45-0485009
DLN:
208325000
Contact Person:
CARLY D YOUNG ID# 31494
Contact Telephone Number:
(877) 829-5500

60 Month Period Ends:
June 30, 2014
Addendum Applies:
No

Dear Applicant:

We have received your notification of intent to terminate your private foundation status under section 507(b)(1)(B) of the Internal Revenue Code during a 60 month period beginning July 1, 2009.

The information submitted indicates that you intend to operate as an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code during the 60 month period.

Based on your proposed activities and support, it is held that you can reasonably be expected to terminate your private foundation status under section 507(b)(1)(B) of the Code. Accordingly, you will be treated as a public charity described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code for an advance ruling period of 60 months beginning July 1, 2009.

Within 90 days after the end of your 60 month period, you must establish to the satisfaction of the Internal Revenue Service that you have qualified as an organization which meets the requirements of paragraph (1), (2), or (3) of section 509(a) of the Code for the 60 month period. If you do establish that fact, you will be so classified for all purposes beginning with the first day of the first taxable year of the 60 month period and, thereafter, so long as you continue to meet the requirements of section 509(a)(1), (2), or (3). If, however, you do not meet these requirements for the 60 month period, you will be classified as a private foundation as of the first day of the first taxable year of the 60 month period.

If you satisfy the requirements of section 507(b)(1)(B) of the Code at the end of your 60 month period, you will not be subject to the provisions of section 507(a), (c), or (g) of the Code.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until the Service makes a final determination of your foundation status.

Letter 2245 (DO/CG)

WEST PIEDMONT WORKFORCE INVESTMENT

You are required to file Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation, until you complete your 60 month termination and are classified as a section 509(a)(1) organization. Form 990-PF must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000 or 5 percent of your gross receipts (whichever is less), for failure to file a return on time unless there is reasonable cause for the delay. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

If you do not pay the tax imposed by section 4940 of the Code for any taxable year or years during the 60 month period, and it is subsequently determined that such tax is due for such year or years, you will be liable for interest in accordance with section 6601 of the Code. Since any failure to pay such taxes during the 60 month period is due to reasonable cause, the penalty under section 6651 with respect to the tax imposed by section 4940 shall not apply.

If the heading of this letter indicate that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure(s):
Form 872

Letter 2245 (DO/CG)

Form 872-B (Rev. Dec. 2004)	Department of the Treasury - Internal Revenue Service Consent to Extend the Time to Assess Miscellaneous Excise Taxes	In reply refer to: <hr/> Taxpayer Identification Number 45-0485009
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West Piedmont Workforce Investment Board _____, taxpayer(s)
 (Name(s))

of 914 Brookdale Street, PO Box 4043, Martinsville, VA 24115-4043 _____ and the
 (Number, Street, City or Town, State, ZIP Code)

Commissioner of Internal Revenue consent and agree to the following:

(1) The amount of liability for Chapter 42 Excise _____ tax, imposed on the taxpayer(s) by
 (Kind)
 section 4940-4945 of the Internal Revenue Code _____ due for the period ending June 30, 2010; 2011; 2012;
 (Internal Revenue Code, Revenue Act, etc.)
 2013; and 2014 _____ may be assessed at any time on or before November 15, 2018
 (Expiration date)

(2) The collection provisions and limitations now in effect will also apply to any tax assessed within the extended period.

(3) The taxpayer(s) may file a claim for credit or refund and the Service may credit or refund the tax within 6 months after this agreement ends.

Your Rights as a Taxpayer

You have the right to refuse to extend the period of limitations or limit this extension to a mutually agreed-upon issue(s) or mutually agreed-upon period of time. Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you may make. If you have not already received a Publication 1035, the publication can be obtained, free of charge, from the IRS official who requested that you sign this consent or from the IRS' web site at www.irs.gov or by calling toll free at 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled.

YOUR SIGNATURE HERE →

W. G. O'Kins

11/21/08
 (Date signed)

I am aware that I have the right to refuse to sign this consent or to limit the extension to mutually agreed-upon issues and/or period of time as set forth in I.R.C. § 6501(c)(4)(B).

TAXPAYER'S REPRESENTATIVE

SIGN HERE →

I am aware that I have the right to refuse to sign this consent or to limit the extension to mutually agreed-upon issues and/or period of time as set forth in I.R.C. § 6501(c)(4)(B).
 In addition, the taxpayer(s) has been made aware of these rights. (Date signed)

CORPORATE
NAME →

CORPORATE
OFFICER(S)
SIGN HERE →

(Title)

(Date signed)

(Title)

(Date signed)

I (we) am (are) aware that I (we) have the right to refuse to sign this consent or to limit the extension to mutually agreed-upon issues and/or period of time as set forth in I.R.C. § 6501(c)(4)(B).

INTERNAL REVENUE SERVICE SIGNATURE AND TITLE

BY *Robert C. Choi*
 (Authorized Official Signature and Title - see instructions)

(Division Executive Title - see instructions)

DEC 05 2008
 (Date signed)

WEST PIEDMONT WORKFORCE INVESTMENT BOARD

Year-End Reporting and Close-Out Policy

Effective Date: December 2, 2010

Revision Date:

Title: Year-End Reporting and Close-Out Policy

Purpose: To establish guidelines on year-end reporting and closing out of grant awards at the end of each program year

Policy: While WIA funds are available to the local area from a two-year allocation cycle, WPWIB grant recipients and/or sub-recipients are not eligible to carry over funds from one program year to the next. All fund balances are recaptured by the WPWIB and become part of the new annual budget process.

The program year ends on June 30 on any given year. All grant recipients and/or sub-recipients must submit to the WPWIB no later than 30 days after year-end (or by July 31) a final expenditure report (acknowledging all expenses for the month).

Within 45 days of year-end (or by August 15), all grant recipients and/or sub-recipients must submit to the WPWIB their requests for reimbursements.

This timeline will give WPWIB staff adequate time to close out the program year with the state. The state has to close out with DOL by September 30 of each year.

In extenuating circumstances, grant recipients and/or sub-recipients who fail to meet this timeline shall come before the WPWIB's Finance Committee to explain and to request approval for reimbursement. Prior to this occurring, the expenditure will be considered disallowed. WPWIB staff shall not have the authority to approve these extenuating circumstances regardless of the amount.

WEST PIEDMONT WORKFORCE INVESTMENT BOARD

Salary and Bonus Policy

Effective Date: December 21, 2010

Revision Date:

Title: Confidentiality Policy

WIA Title I funds awarded to and by the WPWIB are subject to Section 7013 of Public Law 109-234 limiting salary and bonus compensation for individuals. The limitation for combined of salary and any bonuses cannot exceed the compensation for a federal Executive II position. The current level for 2010 is \$179,700; however, this amount is adjusted each year and should be verified annually by the WPWIB's Finance Committee during its annual budget vetting process at www.opm.gov under the Executive Schedule table at the "View Salaries" section of the website.

A bonus is defined as money or something of value given to an employee in addition to the employee's hourly wage or salary, in recognition of a notable or exceptional accomplishment. Fringe benefits are not considered bonuses. Although a payment may be titled an incentive payment, discretionary compensation, or some other name, any of these types of payments is considered a bonus.

Salary Increases: If it is the intent of the grant recipients and/or sub-recipients to give annual cost of living increases to employees, this must be identified in any proposal submitted for the WPWIB's consideration prior to contract negotiations. Support documentation must accompany this intention (i.e., a board policy). If an increase is more random, a record of board action on the approval to request salary increases must be provided the Finance Committee prior to administering the increase as part of the WPWIB's annual budget process. The WPWIB shall have final authority to determine if WPWIB-funds salary increases can be included in the final approved budget.

Bonuses: If it is the intent of the grant recipients and/or sub-recipients to award bonuses, a process to give such an award should be highlighted and supported in the proposal submitted for the WPWIB's consideration prior to contract negotiations as mentioned above under "Salary Increases." At minimum, the grant recipient and/or sub recipients will need to provide the Finance Committee with the following prior to awarding bonuses:

1. An explanation of what behaviors and/or outcomes will be rewarded by an employee bonus;
2. An explanation of how it is anticipated that any proposed employee bonus system will impact the organization's performance during the affected period; and
3. Any limiting considerations such as frequency, maximum amount and the process for initiating bonuses.

Any grant recipient and/or sub-recipient who do not adhere to this policy will be deemed out of compliance; and the expenditure will be deemed a disallowed cost.

WEST PIEDMONT WORKFORCE INVESTMENT BOARD

Public Procurement Policy and Procedures

Effective Date: August 18, 2008

Revision Date:

Title: Public Procurement Policy and Procedures

Purpose: To ensure that all public procurement acquisitions, including “fee for services,” follow the Virginia Public Procurement Act and that the appropriate WPWIB staff are knowledgeable of the Virginia procurement laws and are responsible for monitoring all contractual obligations.

References: Virginia Public Procurement Act
20 CFR Subpart B – Administrative Rules, Costs and Limitations
Sec.667.200 – What general fiscal and administrative rules apply to the use of WIA Title I funds?

Policy and Procedures: The WPWIB must follow Pittsylvania County’s public procurement procedures for all acquisitions of products and services, including “fee for services,” and adhere to the expertise of its centralized purchasing operation.

Types of solicitation:

- \$1 - \$1,000 – With guidance from Pittsylvania County’s Central Purchasing Department, WPWIB staff will seek phone or written quotes; however, purchases may be made without quotes if any of the following apply (the cost of the item(s) to be purchased is the lowest of the suppliers’ current price lists on file; that it is known that all competitors have the same price for the items to be purchased; that the purchase is on a previous bid or quotation or a part thereof obtained within six months prior to the proposed purchase).
- \$1,000 - \$10,000 – all purchases are made in the open market for a minimum of 10 days. On behalf of the WPWIB, the Central Purchasing Department will seek written or phone quotes from prospective vendors. A minimum of two vendors is required; if available, but three or more is preferred.
- Over \$10,000 – Sealed bids are required. On behalf of the WPWIB, the Central Purchasing Department will solicit sealed bids from prospective bidders by sending vendors copies of bid specifications (Request for Proposals) and possibly bid forms. Request for Proposals will be posted at Pittsylvania County’s Administrative Office, website and in local newspaper for at least five days before the final date for submitting bids. RFPs also will be posted on the WPWIB’s website. RFPs will remain open for a minimum of 10 days.

Monitoring:

The WPWIB’s Executive Director is responsible for monitoring contractual obligations, including but not limited to the length of the contract and financial agreements. In the absence of the Executive Director, the Project Administrator will have this responsibility. If for whatever reason, both positions are vacant, the Fiscal Agent will assume this responsibility on behalf of the WPWIB. The WPWIB’s accountants will assist by double checking all expenditures and reimbursements.

WEST PIEDMONT WORKFORCE INVESTMENT BOARD

Property Acquisition and Inventory Policy

Effective Date: October 18, 2011

Revision Date: September 15, 2014

Title: Property Acquisition and Inventory Policy

Purpose: To establish a policy to inventory and track tangible and/or real property purchases using West Piedmont Workforce Investment Board (WPWIB or board) funding including but not limited to U. S. Department of Labor Workforce Investment Act (WIA) funds.

References: Section 195(11) Workforce Investment Act of 1998
OMB Circular A-110 Property Standards (Section .30-.37)

Background: Local Workforce Investment Boards are to ensure that property purchased with their funds are used in accordance with the intent of the law and for the agreed upon intent. **For purposes of this policy, property is defined to include equipment, supplies, real property, tangible property, data, records and proprietary information.**

Policy: Property purchased, collected or in development with WPWIB funds that is not a consumable item, is the property of the WPWIB and, as such, must be used for purposes authorized by WIA and the WPWIB unless otherwise regulated by the state or federal mandates. An inventory of such property is to be maintained by the board and all contractors and subcontractors receiving funding through the WPWIB. An inventory, audit and/or repossession of such property are at the discretion of the WPWIB and state and federal governments.

Upon termination of services with the WPWIB, an inventory will be completed jointly by the contractor and/or subcontractor and board staff no more than 30 days after the closing of the contract. Disposition of the property will be at the discretion of the WPWIB. Any inventory deemed unusable will be documented.

Inventory records shall be maintained by the board, contractor and/or subcontractor with the following information:

- A description
- The serial number and manufacturer
- Source of property (tag type)
- Fund source (WIA or other WPWIB funds)
- An acquisition date and cost
- Location, use, condition and date the information was reported
- The date of disposal
- A unique identification number (WIA tags issued by the board)

This inventory record is updated annual and a copy is given to board staff. Contractors and subcontractors much give a copy of this record to the board staff at the end of the program year (June) each year. Board staff will maintain records of property for administrative and program purposes at the board office.

Any property valued at \$500 or greater must be listed on the on the inventory record and tagged as being the property of the WPWIB. Any property valued at greater than \$100 but less than \$500 with the exception of items that are considered consumable will be tagged with special WPWIB tags and placed on a separate list from the standard Inventory List for tracking (for example, printers). Tags are available at the board office upon request.

For property equaling or exceeding \$5,000, the board, all contractors and subcontractors must adhere to the state's requirement that the board must request written prior approval from the Virginia Community College System (VCCS) for purchases with a per unit cost of \$5,000 or more. Lack of written prior approval for purchases may result in disallowed costs. Immediately following this policy is VCCS's guidance letter and **Equipment Purchase Approval Request Form.**

Board staff and the board's Audit Committee will do periodic on site visits to conduct an inventory of property, including condition and use of the property. If a discrepancy is found, a written explanation will be requested.

COMMONWEALTH OF VIRGINIA
VIRGINIA COMMUNITY COLLEGE SYSTEM

WORKFORCE INVESTMENT ACT

VIRGINIA WORKFORCE LETTER (VWL) #10-04

TO: LOCAL WORKFORCE INVESTMENT BOARDS

FROM: WORKFORCE DEVELOPMENT SERVICES

SUBJECT: WIA EQUIPMENT MANAGEMENT PROCEDURES – PURCHASES, INVENTORY AND DISPOSAL

DATE: March 1, 2011

Purpose:

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

Definitions:

Equipment – An article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000, including all costs related to the property's final intended use.

Fair Market Value –

For Sale purposes: The selling price of an item that is sold through auction, advertisement, or a dealer.

For purposes of authorizing the subrecipient to retain equipment for use after grant award expiration: The value of similar items that are offered for sale, using the selling price if known.

References:

Workforce Investment Act of 1998, Section 195

Code of Federal Regulations

- Title 29 CFR Part 95, Sections 95.34 and 95.53

- Title 29 CFR Part 97, Sections 97.32 and 97.42
- Title 20 CFR Part 667, Section 667.200(a)(8)
- Title 2 CFR Part 220 (OMB Circular A-21, Cost Principles for Educational Institutions)
- Title 2 CFR Part 225 (OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments)
- Title 2 CFR Part 230 (OMB Circular A-122, Cost Principles for Non-Profit Organizations)

Requirements:

A. PURCHASES

Requirement

Sub recipients must request written prior approval from the Virginia Community College System (VCCS) for equipment purchases with a per unit cost of \$5,000 or more. Lack of written prior approval for purchases may result in disallowed costs.

Purchase Considerations

The following considerations should be made prior to requesting approval from the VCCS to utilize Workforce Investment Act funds for the purchase of equipment:

- Is this purchase necessary and reasonable?
- Why is the purchase needed?
- Have the best products been selected?
- What procurement method will be used?
- Was a lease option considered in lieu of the purchase?
- What other costs are associated with the purchase?
- Is there a cost sharing agreement if multiple partners will share the cost of the purchase? If so, 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 that is allocated to Workforce Investment Act funds.

Requesting Purchase Approval

Sub recipients must submit a signed hardcopy Equipment Purchase Approval Request (Attachment 01) to the VCCS Workforce Development Services (WDS) Resource Administrator. The purchase request, along with supporting documentation, will be reviewed for completeness and reasonableness. A written response will be issued to the subrecipient by the VCCS within 7 business days upon receipt of a proper and complete request.

B. INVENTORY

Records

Equipment records shall be maintained accurately and shall include the following information:

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, theft, etc.

Inventory records will be reviewed periodically through the monitoring process and at the request of WDS staff.

C. DISPOSITION

For equipment with a residual fair market value of less than \$5,000, the subrecipient may retain, sell, or otherwise dispose of the equipment with no further obligation to the awarding agency.

For equipment with a residual fair market value of \$5,000 or more, the subrecipient must request disposition instructions in writing from the VCCS.

D. ADDITIONAL CONSIDERATIONS

Program Income

Sub recipients may permit employers to use WIA-funded equipment on a fee-for-service basis to provide employment and training activities to incumbent workers:

1. When the equipment is not being used by eligible participants;
2. If their use does not affect the ability of eligible participants to use the equipment; and
3. 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 Workforce Investment Act Monthly Expenditure Detail Report.

Retention and Access Requirements for Records

All equipment records must be maintained from the date of acquisition through final disposition. The sub recipient must also retain those records for a period of three years from the date of their last expenditure report submitted to the VCCS. If any litigation, claim, or audit is started before the expiration of the three-year period, all records must be retained until all findings have been resolved and final action taken.

ATTACHMENT 01

VIRGINIA COMMUNITY COLLEGE SYSTEM
Workforce Investment Act
Equipment Purchase Approval Request

Policy:

Subrecipients must request written prior approval from the Virginia Community College System (VCCS) for equipment purchases with a *per unit cost of \$5,000 or more*. Lack of written prior approval for purchases may result in disallowed costs.

PART 1 - REQUESTER'S INFORMATION

Organization Name: _____

Requester (Name and Title): _____

Phone: _____ Email: _____

PART II - DESCRIPTION OF EQUIPMENT & PURCHASE JUSTIFICATION

Name of equipment to be purchased:

Why is the purchase of this equipment essential for this grant program?

Equipment to be purchased*:

Qty.	Item Description	Unit Price	Total

*Attach supporting documentation and any other information that **may** be helpful to reviewer.

Funding Source: _____

Federal Grant Award Name and Number: _____

PART III - CERTIFICATION

By signature of this request, I acknowledge that I have made the purchase considerations found in **VCCS WDS Policy: Equipment Management – Purchases, Inventory and Disposal (Policy)**. I certify that the above information is true and correct to the best of my knowledge. I also agree to abide by the Policy requirements with regards to the title, use, disposition, and retention of equipment purchased with Workforce Investment Act funds provided by the Virginia Community College System.

Requester's Signature _____ Date _____

VCCS Approval Signature _____ Date _____

WEST PIEDMONT WORKFORCE INVESTMENT BOARD

Custody of Records Policy

Effective Date: August 15, 2011

Revision Date:

Title: Custody of Records Policy

File Transfer from Contractors to the Board:

- The contractor must provide a list indicating all active participants by full name, program and location.
- The contractor must provide a list indicating the inactive participants by full name, program and location.
- The contractor must provide an updated VOS Client Listing Report that indicates all the participants who should be active in the program at the time of the transfer.
- The contractor must indicate in writing an explanation of any missing files.
- A chain of custody document must be completed indicating the date of transfer, the recipient entity and any problems incurred during the transfer, i.e., missing files. Have the chain of custody signed by all parties representing the contractor and the board.
- The contractor will retain the signed original chain of custody document with a copy going to the board.

Once participants have exited the program and follow up has concluded (fourth quarter after exit), participants' files will be stored at the board office for the required three years (for state and federal auditing purposes). When these files are transferred (or handed over) to the board, the steps mentioned above must be followed.

After the required three years have lapsed, the board is responsible for shredding these files.

File Transfers from the Board to Contractors:

- The board must provide a list of all the participant files that will be transferred to the contractor.
- The board must print out and provide a current client listing report with all active participants as of the date of transfer and give the contractor a copy.
- The client listing report will be compared with the actual files to be transferred and any missing files or unaccounted for files should be indicated on the chain of custody report.
- Complete the chain of custody document indicating the date of transfer, the recipient, the number of files being transferred and an explanation for any missing or unaccounted for files.
- The chain of custody must be signed by the board and recipient contractor with the board retaining the original and a copy going to the contractor.

Other:

- All official files of the Board and board-related program files will be maintained at the board office for three years.