

**DIRECTIVE**  
**WORKFORCE SERVICES**

Number: WSD12-3

Date: July 18, 2012  
69:88:rg:15678

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: QUARTERLY AND MONTHLY FINANCIAL REPORTING  
REQUIREMENTS

**EXECUTIVE SUMMARY:**

**Purpose:**

The purpose of this directive is to provide guidance for the reporting of quarterly and monthly Workforce Investment Act (WIA) financial data. In addition, it introduces new guidance and procedures for reporting mandated training expenditures imposed by Senate Bill (SB) 734. It also introduces a new reporting form directly related to SB 734 requirements.

**Scope:**

This directive applies to the Local Workforce Investment Areas (LWIA) and all Subgrantees in receipt of WIA grant funds from the State and are hereafter referred to as a Subrecipient. The directive also applies to any organization funded by a Subrecipient hereafter referred to as a Subrecipient Contractor.

**Effective Date:**

This directive is effective upon release.

**REFERENCES:**

- Office of Management and Budget (OMB) Circular A-21: Cost Principles for Educational Institutions
- OMB Circular A-87: Cost Principles for State, Local, and Indian Tribal Governments
- OMB Circular A-122: Cost Principles for Non-Profit Organizations
- Title 29 Code of Federal Regulations (CFR) Part 95: Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- Title 29 CFR Part 97: Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government
- Title 20 CFR Parts 652 et al, 663.410, 663.805, 663.815, 664.320, 665.300, 665.310 and 665.320

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- Department of Labor Training and Employment Guidance Letter (TEGL) 17-05, dated February 17, 2006, Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues
- ETA 9130 Federal Financial Quarterly Report Instructions.
- WIA Sections 101(8), 101(31), 134(a)(3)(A)(iv)(I), and 134(d)(4)(D)
- Title 29 United States Code (USC) Section 2864(d)(4)(D)
- Title IV of the Higher Education Act of 1965 Section 401
- SB 734 (DeSaulnier), Chapter 498, Statutes of 2011
- California Unemployment Insurance Code (CUIC) Section 14211
- Workforce Services Directive WSD11-9, Subject: WIA Training Expenditure Requirements (May 17, 2012)
- WIA Directive WIAD06-15, Subject: Eligible Training Provider List (ETPL) (February 7, 2007)

#### **STATE-IMPOSED REQUIREMENTS:**

This directive contains some State-imposed requirements. These requirements are indicated in bold, italic type.

#### **FILING INSTRUCTIONS:**

This directive finalized Workforce Services Draft Directive WSDD-68, issued for comment on June 6, 2012 and supersedes Directive WSD09-11, dated March 2, 2010. The Workforce Services Division received 2 comments during the draft comment period. The comments received did not result in any substantive changes. A summary of the comments is provided as Attachment 7. Changes were made to clarify some of the statements in the directive. The changes are highlighted in the directive. The highlighted text will remain on the internet for 30 days from the issuance date. A summary of the comments is provided as Attachment 7. Retain this directive until further notice.

#### **BACKGROUND:**

The State is required by federal regulations to submit accurate financial reports to the Department of Labor (DOL) on a quarterly basis. As such, the State is issuing this directive to provide essential information with the appropriate financial reporting forms. New regulations mandated by SB 734 requires that Local Workforce Investment Boards (local boards) spend a minimum of 25 percent of their WIA Adult and Dislocated Worker formula funds on training beginning PY 2012-13. Beginning PY 2016-17 local boards are required to spend a minimum of 30 percent of their Adult and Dislocated Worker formula funds on training.

## **POLICY AND PROCEDURES:**

### **Definition of Terms**

**Accrual Basis of Accounting**—The accounting basis wherein revenues and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period. If the Subrecipient and Subrecipient Contractor's records are not normally kept on the accrual basis of accounting, then the Subrecipient and Subrecipient Contractor must develop accrual information through analysis of documentation on hand.

**Accrued Expenditures**—The charges incurred and recorded, but not yet paid for, during a report period requiring the provision of funds by the grantee, the Subrecipient, or its Subrecipient Contractor for (1) goods and other tangible property received, (2) services performed by employees, contractors, subrecipient contractors, and other payees, and (3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

**Cash Contributions**—*Federal and/or non-federal contributions of funds made available to the Subrecipient, to be used specifically for project activities. The awarded Subrecipient controls and disburses these funds. Examples include federal and/or non-federal money received from employers, foundations, private entities, local governments, etc.*

**Cash Expenditures**—*An actual disbursement of funds for goods and services that have been received. Cash expenditures do not necessarily equal the amount of cash drawn.*

**CFDA Number**—The number assigned to a federal program in the Catalog of Federal Domestic Assistance (CFDA). The CFDA number 17.258 is used for Adult programs, number 17.259 is used for Youth programs, 17.277 for WIA National Emergency Grants, 17.278 for WIA Dislocated Worker Formula Grants, 17.280 for WIA Dislocated Worker National Reserve Demonstration Grants and 17.281 WIA Dislocated Worker National Reserve Technical Assistance and Training. The clientele being served will determine which CFDA number to use when funded from the Governor's Discretionary Account.

**Cumulative Reporting**—A reporting method that provides expenditure data for activity that occurs from the beginning date of the project term through the last day of the period (quarter or month) that is being reported.

**Customized Training**—*This training, as defined in WIA Section 101, is designed to meet the special requirements of an employer (including a group of employers) with a commitment to employ an individual on successful completion of the training and where the employer pays for the cost of the training determined by a sliding scale.*

*Federal Leveraged Resources*—All Federal resources (including other WIA resources) used by the Subrecipient and/or Subrecipient Contractor to support grant activity and outcomes and are allowable and auditable under the Circulars.

***Grant Code***—The three-digit code that identifies a particular allocation. The Workforce Services Division accounts for each allocation by grant code. Therefore, several grant codes could exist within a subgrant.

***Grant Recipient***—State of California

*Individual Training Account (ITA)*—As described in Title 20 CFR 663.410, an ITA is an account established on behalf of a participant. The ITA allows an Adult or Dislocated Worker to purchase training services from eligible providers. An ITA is considered to be an obligation at the point the participant actually enrolls in the training program. The obligation must be accrued/expensed as the training takes place and reported on the “training payments” line on Attachment 1. Prior to enrolling in the training program, the ITA is not considered an obligation or expenditure. Contracts for services may be used instead of ITAs for on-the-job training or customized training (defined in WIA Section 101), when the local board determines there are an insufficient number of eligible providers in the local area to accomplish the purpose of a system of ITAs, or when the local board determines there is a training services program of demonstrated effectiveness offered in the local area to serve special participant populations that face multiple barriers to employment. Refer to WIA Section 134(d)(4)(G)(ii).

*In-Kind Contributions*—Federal and/or Non-Federal contributions of non-cash resources which are used specifically for project activities. Examples include donated personnel, services, or use of equipment or space.

***Leveraged Resources***—Leveraged resources are not defined in regulation or any related administrative requirements, however for ETA programs, leveraged resources means all resources used by the Subrecipient and/or Subrecipient Contractor to support grant activity and outcomes, whether or not those resources meet the standards required for match. Therefore, for purposes for ETA’s WIA grants, leveraged resources means all federal and non-federal expenditures (cash contributions and/or in-kind contributions) that are allowable and auditable under the Circulars and that support grant activity. This includes all federal expenditures and any non-federal expenditures that meet the standards required for match but is in excess for the match requirement. Local boards, for the purpose of SB 734, will report federal and non-federal resources (cash contributions and in-kind contributions) used by the Subrecipient and/or Subrecipient Contractor for training services. Leveraged resources must be allowable and auditable under the WIA program, and meet the requirements included in the “Leveraged Resources” section under the “Application of the 25/30 Percent Commitment” section of this directive.

***Line Item within a Subgrant***—This represents the way a Subrecipient will receive funds allocated from different sources. Each line item is identified by its own three-digit grant code, description and funding amount in the subgrant. This will allow each line item to be tracked separately. Each line item is independent from

**other funding and can have different operational dates. Therefore, a line item must be closed out once the term has ended even though the funds may not be fully expended. A line item must also be closed out if the funds have been fully expended and the term has not ended.**

**Match—Additional non-federal resources expended to further the grant objective, if required either by statute or within the grant agreement as a condition of funding. The match can be both cash and in-kind contribution.**

**Cash Match—For all subgrant awards effective on or after January 1, 2006, cash match is a reportable item when it is a requirement for receipt of a grant. Cash match may be required in certain Solicitation for Proposals (SFP) that the Employment Development Department (EDD) issues and is documented by a project specific letter of commitment from the donor. It is a non-Federal contribution of funds made available to the Subrecipient, to be used specifically for project activities. The awarded Subrecipient has control over and disburses these funds. Examples include: non-federal money received from employers, foundations, private entities, local governments, etc.**

**All cash match contributions will be accepted as part of the Subrecipient's matching requirement if such contributions meet the following criteria:**

- **The cash match contributions are verifiable using the Subrecipient's records.**
- **The cash match contributions are non-Federal funds.**
- **The cash match contributions are necessary and reasonable for proper and efficient accomplishment of the project or program objectives.**

**In-Kind Contribution Match—For all subgrant awards effective on or after January 1, 2006, in kind contributions are reportable items when it is a requirement for receipt of a grant. In-kind contributions may be required in certain SFPs that EDD issues. These contributions of non-cash resources are to be used specifically for project activities. Examples include donated personnel, services, or use of equipment or space**

**All in-kind contributions will be accepted as part of the Subrecipient's in-kind matching requirement if such contributions meet the following criteria:**

- **The in-kind contribution match is verifiable using the Subrecipient's records.**
- **The in-kind contribution match is non-federal.**
- **The in-kind contribution match contribution is necessary and reasonable for proper and efficient accomplishment of the project or program objectives.**
- **The basis for determining the valuation of the in-kind contribution match is documented.**

**Needs-Related Payments**—As described in Title 20 CFR 663.815, needs-related payments provide financial assistance to participants for the purpose of enabling individuals to participate in training and are one of the other supportive services authorized by WIA. Refer to WIA Section 134(e)(3). Formula funds spent on supportive services may not be applied toward the minimum training expenditure requirement under SB 734.

**Non-Federal Leveraged Resources**—All non-federal resources used by the Subrecipient and/or Subrecipient contractor to support grant activity and outcomes and are allowable and auditable under the Circulars. This includes any expenditure that meets the standards required for match but is in excess for the match requirement.

**Obligations**—An obligation is a formal contractual commitment for the amount of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a funding period that will require payment by the Subrecipient or Subrecipient Contractor during the current or future reporting period. Cash expenditures are an obligation for a good or service that has been received and paid for within the report period. An accrued expenditure is an obligation for a good or service that has been received within the report period, but has not been paid. An unliquidated obligation is a formal contractual commitment for a good or service that has not been received and has not been paid for within the report period.

**Program Income**—The income received by the Subrecipient or Subrecipient Contractor directly generated by a grant support activity, or earned only as a result of the grant agreement during the grant period. Program income minus the costs generated from those activities equals net program income. At this time, the net program income method used in accounting for revenue and associated costs must be used in the WIA program. Interest income earned on funds received under WIA is included as program income.

**Stand-in Costs**—Stand-in costs are costs for the program paid for with non-federal costs resulting from an audit. Stand-in costs must come from the same year as the costs that they are proposed to replace and they must not cause a violation of the administrative or other cost limitations. These costs must be included in the appropriate expenditure reports if they will be used at a later time. Refer to Title 20 CFR 667.300(c)(2).

**Subrecipient**—An organization funded directly by the State.

**Subrecipient Contractor**—An organization funded by the Subrecipient.

**Supportive Services**—These are services, provided directly or through cash assistance that enable an individual to participate in the WIA program. Supportive services may only be provided to individuals who are participating in core, intensive or training services and unable to obtain supportive services through other programs providing such services. Supportive services may only

**be provided when they are necessary to enable individuals to participate in Title I activities. Supportive service costs must be reported as "Other" in Section V, Line 5 of Attachment 1. Amounts which had been reported in 4b. Other Training Services, should be reported in Section V, Line 5 "Other."**

**Supportive services may not be applied toward the minimum requirement expenditures toward training services as described under SB 734.**

**Third Party Organization—An organization that is neither a Subrecipient nor a Subrecipient Contactor.**

**Training Services—Approved training services as defined by SB 734 must be reported in the Summary of Expenditures (Attachment 1) on line 4a of Section V (5) (Training Payments) line 4b should be reported as zero. Supportive services must be reported on line 5 of Section V (5) (Other) and may not be applied toward the minimum required expenditure for training services. Approved training services under SB 734 are listed below in the "Application of the 25 / 30 percent Commitment" section of this directive.**

**Unliquidated Obligations—Unliquidated obligations are the dollar amount of formal orders placed through purchase orders, contract delegation orders or contracts and subgrants awarded that are to be paid at a future date. Unliquidated obligations are the amount of obligations committed to by the Subrecipient or Subrecipient Contractor for which the goods or services have not been received within the report period and for which an outlay (cash) or an accrued expenditure has not been recorded.**

**Voucher—A voucher is a document that is exchangeable for training services.**

**WIA Summary of Expenditures Report—A state-designed report that provides data elements for Subrecipients to submit expenditures and other reportable items on an accrual basis.**

#### **APPLICATION OF THE 25/30 PERCENT COMMITMENT (SB 734)**

**Beginning in PY 2012-13 funding (grants with start dates in July 2012) all local boards are required to spend at least 25 percent of the combined total of their WIA Adult and Dislocated Worker formula fund allocations on workforce training services. The training expenditure requirement does not apply to Youth formula fund allocations. A portion of the minimum training expenditure requirement, (up to 10 percent of the combined total of the Adult and Dislocated Worker fund allocation) may be met by applying designated leveraged resources used for training services.**

**Beginning PY 2016-17 the minimum training expenditure requirement will increase from 25 percent to 30 percent.**

**For local boards to meet the minimum training expenditure requirement, formula funds and leveraged resources must be spent on WIA Adult or Dislocated Worker participants enrolled in a training activity in the EDD Job Training Automation**

**(JTA) system, which is currently in migration to the EDD California Workforce Services Network (CWSN) system. The funds must be spent on training services as defined in title 20 (CFR Section 663.508:**

**A program of training services is one or more courses or classes, or a structured regimen, that upon successful completion, leads to: (1) a certificate, associate degree, or baccalaureate degree; or (2) the skills or competencies needed for a specific job or jobs, an occupation, occupational group, or generally, for many types of jobs or occupations, as recognized by employers and determined prior to training.**

**Training services may include:**

- Occupational skills training, including training for nontraditional employment**
- On-the-job training**
- Programs that combine workplace training with related instruction, which may include cooperative education programs**
- Training programs operated by the private sector**
- Skill upgrading and retraining**
- Entrepreneurial training**
- Job readiness training**
- Adult education and literacy activities provided in conjunction with one or more of the other training services listed above**
- Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.**

**Customized training, on-the-job training, and incumbent worker training do not require ETPL eligibility or the use of ITAs. Local boards are encouraged to invest in training programs customized for growth industry sectors and in training that directly leads to employment. Additionally, local boards are encouraged to seek cost savings in the provision of universal services through coordination and integration with other One-Stop partners.**

**Formula funds and leveraged resources spent on WIA core, WIA intensive services, and supportive services may not be applied toward the minimum training expenditure requirement.**

**For an expenditure to be considered a training service and count toward the mandatory training minimums under SB 734, the service must meet the definition of training contained in WIA Section 134(d)(4)(D), and Sections 663.300 and 663.508 of Title 20 of the Code of federal regulations. Section 663.300 of Title 20 establishes that the list in Section 134 (d)(4)(D) of WIA is not exhaustive. However, Section 663.300 of Title 20 does not allow local boards to simply count anything and everything toward the required training minimums contained in**

**SB 734. For a service to qualify as training it must also meet the definition of a training program in Section 663.508 of Title 20 of the Code of Federal Regulations which defines training in the following manner:**

**§ 663.508 What is a “program of training services”?**

**A program of training services is one or more courses or classes, or a structured regimen, that upon successful completion, leads to:**

- (a) A certificate, an associate degree, baccalaureate degree, or**
- (b) The skills or competencies needed for a specific job or jobs, an occupation, occupational group, or generally, for many types of jobs or occupations, as recognized by employers and determined prior to training.**

### **LEVERAGED RESOURCES**

**Local boards may apply leveraged resources used for training services toward meeting a portion of their minimum training expenditure requirement (an amount of up to 10 percent of their Adult and Dislocated Worker formula fund allocation). Local boards may apply only the following leveraged funds as part of the 10 percent credit:**

- Federal Pell Grants established under Title IV of the Higher Education Act of 1965**
- Public programs authorized by the Workforce Investment Act of 1998 (e.g., Job Corps, Migrant Seasonal Farm Worker, Rapid Response, WIA Title II Adult Education and Literacy, national and state WIA discretionary grants, WIA youth program, etc.)**

**Local boards are permitted to apply youth formula funds expended on training for individuals ages 18-21 as a leveraged resource if: (1) the individuals are co-enrolled in either the WIA Adult or Dislocated Worker program, and (2) the training meets all requirements set forth in this directive.**

- Trade adjustment assistance**
- Department of Labor National Emergency Grants**
- Match funds from employers, industry, and industry associations (including the employer paid portion of on-the-job training and customized training)**
- Match funds from joint labor-management trusts**
- Employment training panel grants**

**Local boards are not required to use leveraged resources toward meeting the minimum training expenditure requirement. However, if a local board does choose this option, they must report all leveraged resources applied as part of the 10 percent credit in Attachment 6, Summary of Leveraged Resources. Additionally, they must keep sufficient records of the leveraged resources which can be independently verified by the EDD.**

***In order to allow local boards maximum flexibility in using leveraged resources, the EDD has not defined specifically what would classify as sufficient records. However, some examples of documentation that could qualify as sufficient records would include:***

- ***A commitment letter or written agreement from an employer or training provider***
- ***A training agreement with an employer detailing the employer's contribution***
- ***A copy of the Pell Grant award letter or relevant correspondence from the school***
- ***An executed worksite agreement and participant time record***
- ***A participant progress report and/or evidence of completion***

***This list is not all inclusive. Local boards have the discretion to determine what constitutes sufficient records. This determination may vary depending on the Local Workforce Investment Area.***

***Costs arising from the recordkeeping required to demonstrate compliance with leveraged resources requirements are the responsibility of the board.***

***Note: All leveraged resources reported under this directive must also be included in the amounts reported under Section VII, Miscellaneous Items, of the WIA Summary of Expenditures Report.***

#### **QUARTERLY REPORTING REQUIREMENTS**

***All WIA grant recipients are required to report expenditures on an accrual basis and must submit quarterly expenditure reports. This is a federal requirement. Quarterly expenditures (including accruals) and obligations must be reported to EDD on a cumulative basis and a separate expenditure report must be filed for each line item or grant code to meet this federal requirement.***

- ***The expenditure format shown in Attachment 3 is to be used for Rapid Response funds (grant codes 526, 540, and 541).***
- ***The expenditure format shown in Attachment 4 is to be used for Youth funds (grant codes 301, 302, 303, 304).***
- ***The expenditure format in Attachment 1 is to be used for the reporting of all other WIA funds. In the Attachment 1 format, all Subrecipients are required to report expenditure amounts identified for lines 1, 2, 3, 4A, and 5 of Section V "Cumulative Expenditures (Program)."***
- ***This requirement applies to incentive funds and projects funded with Special Grant funding (i.e., Disability Employment Initiative and any other Special Grants). Projects funded with National Emergency Grant (NEG) funds must also report expenditures for core self-services, core registration services, intensive services, and training services.***

**Subrecipients with NEG funds must also complete Section VIII. The submission of information provided in Section VIII is a requirement of the DOL. If no financial activity has occurred for any of these lines, a zero value still has to be entered and the total of Section VIII must match the total reported for Section V.**

**Subrecipients are responsible for ensuring all reports required by the State are submitted on time and the data reported is complete. The time limit for the expenditure of these funds is specified in each officially signed subgrant agreement, including subgrant award modifications.**

**When filing quarterly financial reports Subrecipients may find any one of the following situations has occurred during a reporting cycle. Quarterly reports must be filed as follows:**

- 1. If funds were placed in a subgrant prior to the close of a quarter and no financial activity occurred since the project started then a “zero” report must be filed. A “zero” report means the expenditure report will contain all zeroes. A “zero” report is filed until financial activity occurs. Those entities linked to the Job Training Automation (JTA) system must use the “Enter WIA Summary of Expenditures” (EXPD) selection. Entities not linked to JTA must manually complete the EXPD form attached to this directive or download a copy from the EDD Web site. The report is then to be submitted by mail or fax. The fax number is (916) 654-9119 or (916) 654-9753. The mailing address is provided below.**
- 2. If financial activity occurred within the quarter, then a report must be filed reflecting cumulative expenditures (including accruals) from the effective date of the funding through the end of the report quarter. Those entities linked to the JTA system must use the EXPD selection. Entities not linked to JTA must manually complete the EXPD form attached to this directive or download a copy from the EDD Web site. The report is then to be submitted by mail or fax. The fax number is (916) 654-9119 or (916) 654-9753. The mailing address is provided below.**
- 3. If financial activity occurred in prior quarters but not in the current quarter and a closeout report has not been filed, a report is still required. This also includes any line items of funding that are fully expended prior to the term end date. Report prior cumulative information (including accruals) when completing the current quarterly expenditure report. Those entities linked to the JTA system must use the EXPD selection. Entities not linked to JTA must manually complete the EXPD form attached to this directive or download a copy from the EDD Web site. The report is then to be submitted by mail or fax. The fax number is (916) 654-9119 or (916) 654 9753. The mailing address is provided below.**

***If the completed expenditure report is mailed then use the following address.***

***Attention: WIA Reporting Desk  
Financial Management Unit, MIC 69  
Workforce Services Division  
Employment Development Department  
P.O. Box 826880  
Sacramento, CA 94280-0001***

***Additionally, along with the guidelines listed in numbers 1 through 3 above Subrecipients must adhere to the following dates shown in the table below.***

***NOTE: When the reporting deadline falls on a weekend or holiday, all reports are due by close of business (COB) on the last working day prior to the reporting deadline.***

<b><i>Due Dates for Quarterly Reports</i></b>	
<b><i>1st Quarter (July–Sept)</i></b>	<b><i>October 20</i></b>
<b><i>2nd Quarter (Oct–Dec)</i></b>	<b><i>January 20</i></b>
<b><i>3rd Quarter (Jan–Mar)</i></b>	<b><i>April 20</i></b>
<b><i>4th Quarter (Apr–June)</i></b>	<b><i>July 20</i></b>

***File and submit a separate EXPD report for each line item (grant code).***

***Subrecipients with access to the JTA system must electronically submit quarterly financial reports by the 20th of the month following the end of each report period. Example: Quarterly reports for the quarter ending September 30 are due October 20.***

***Subrecipients without access to the JTA system must submit hard copies by the 20th of the month following the end of each report period. Example: Quarterly reports for the quarter ending September 30 are due October 20.***

***Revisions to fourth quarter financial data will be accepted after July 20, however, the data will not be included in the official fourth quarter amounts submitted to DOL or incorporated into amounts calculated for the recapture of any formula funds.***

#### ***LINE ITEM REPORTING OF LEVERAGED RESOURCES***

***On the Federal Leveraged Resources line of the WIA Summary of Expenditures report, Subrecipients must report federal expenditures that are allowable and auditable costs for goods and services provided to Subrecipients or in support of the grant program which are paid for by the Subrecipient and/or Subrecipient Contractors using other federal grant funds.***

***On the non-federal Leveraged Resources Line of the Summary of WIA Expenditures Report, Subrecipients must report non-federal funds that are allowable and auditable costs which could otherwise have been paid for out of grant funds. These expenditures should include all costs of the Subrecipient***

**and/or Subrecipient Contractors that would qualify as match but are in excess of the match requirement.**

**Subrecipients should not include any allowable costs for goods and services provided to the Subrecipient by third party organizations.**

**For examples of leveraged resources, see Attachment 5.**

## **MONTHLY REPORTING REQUIREMENTS**

**To improve the monitoring of WIA expenditure levels, all Subrecipients in receipt of WIA Governor's Discretionary funds, Dislocated Worker 25 Percent Additional Assistance funds, Rapid Response funds, National Emergency Grant (NEG) funds, or Special Grant funds must provide monthly expenditure financial reports.**

**Monthly financial reports are not required on any of the formula funds (grant codes: 200, 201, 202, 203, 204, 299, 301, 302, 303, 304, 499, 500, 501, 502, 503, and 504).**

**Monthly expenditures (including accruals) and obligations must be reported on a cumulative basis and a separate expenditure report must be filed for each line item or grant code.**

**Accruals do not need to be split out for monthly reports as required with the quarterly reports.**

**Submit expenditure data for all Governor's Discretionary fund projects, Dislocated Worker 25 Percent Additional Assistance fund projects, NEG funds or Special Grant funds using Attachment 1. Submit Rapid Response expenditure data (grant codes 526, 540 and 541) using Attachment 3. Line item instructions specific to the filing of monthly financial data are provided for each attachment. When filing monthly financial data Subrecipients may find any one of the following situations has occurred during a reporting cycle. Monthly reports must be filed as follows:**

- 1. If funds were placed in a subgrant prior to the close of a month and no financial activity occurred since the project started then a "zero" report must be filed. A "zero" report means the expenditure report will contain all zeroes. A "zero" report is filed until financial activity occurs. Those entities linked to the JTA system must use the EXPD selection. Entities not linked to JTA must manually complete the EXPD form attached to this directive or download a copy from the EDD Web site. The report is then to be submitted by mail or fax. The fax number is (916) 654-9119 or (916) 654 9753. The mailing address is provided below.**
- 2. If financial activity occurred within the month then a report must be filed reflecting cumulative expenditures (including accruals) from the effective date of funding through the end of the report month. Those entities linked to the JTA system must use the EXPD selection. Entities not linked to JTA must manually complete the EXPD form attached to this directive or download a**

copy from the EDD Web site. The report is then to be submitted by mail or fax. The fax number is (916) 654-9119 or (916) 654-9753. The mailing address is provided below.

3. If financial activity occurred in prior months/quarters but not in the current month and a closeout report has not been filed, a report is still required. Report prior cumulative information (including accruals) when completing the current monthly expenditure report. Those entities linked to the JTA system must use the EXPD selection. Entities not linked to JTA must manually complete the EXPD form attached to this directive or download a copy from the EDD Web site. The report is then to be submitted by mail or fax. The fax number is (916) 654-9119 or (916) 654 9753. The mailing address is provided below.

If the completed expenditure report is mailed then use the following address.

**Attention: WIA Reporting Desk  
Financial Management Unit, MIC 69  
Workforce Services Division  
Employment Development Department  
P.O. Box 826880  
Sacramento, CA 94280-0001**

Monthly financial reports are always due the 20th of the month following the report period. Note: When the reporting deadline falls on a weekend or holiday, all reports are due by COB the last working day prior to the reporting deadline.

<b>Report Month</b>	<b>Report Month to Use in JTA System</b>	<b>Report Due Date</b>
<b>January</b>	<b>1/XX</b>	<b>2/20/XX</b>
<b>February</b>	<b>2/XX</b>	<b>3/20/XX</b>
<b>April</b>	<b>4/XX</b>	<b>5/20/XX</b>
<b>May</b>	<b>5/XX</b>	<b>6/20/XX</b>
<b>July</b>	<b>7/XX</b>	<b>8/20/XX</b>
<b>August</b>	<b>8/XX</b>	<b>9/20/XX</b>
<b>October</b>	<b>10/XX</b>	<b>11/20/XX</b>
<b>November</b>	<b>11/XX</b>	<b>12/20/XX</b>

Monthly reports are not due for the months ending March, June, September, or December since quarterly reports must be filed for these four months.

Subrecipients with access to the JTA system must electronically submit monthly financial reports by the 20th of the month following the end of each report period. Example: A monthly report for the month ending January 31 would be due February 20.

Subrecipients without access to the JTA system must submit hard copies by the 20th of the month following the end of each report period. Example: A monthly report for the month ending January 31 would be due February 20.



***The EDD will notify the State Board whether each local board met their respective minimum training expenditure requirement.***

**ACTION:**

Bring this directive to the attention of all staff involved in the expenditure reporting and fiscal accounting process.

**INQUIRIES:**

If you have questions on the filing of the WIA financial reports, please contact Roger Gadley at (916) 654-8060.

Please direct inquiries about this directive to your Regional Advisor at (916) 654 7749 or Project Manager at (916) 654-7799.

/S/ MICHAEL EVASHENK, Chief  
Workforce Services Division

Attachments