

TO: Workforce Investment Board (WIB)

DATE: 09/11/03

FROM: Quality assurance Committee

For Action

For Information

For Discussion

SUBJECT: Program year (PY) 2002-2003 Fiscal and Procurement Draft Monitoring Report

PROPOSED MOTION(S): Information Only

DISCUSSION: EDD conducted a Workforce Investment Act (WIA) grant financial management and procurement systems review from May 12, 2003 to May 16, 2003. It was conducted under the authority of Section 667.410(b)(1),(2)&(3) of Title 20 of the Code of Federal Regulations (20CFR). The purpose was to determine the level of compliance with applicable federal and state laws, regulations, policies and directives related to the WIA grant regarding management and procurement for PY 2002-03.

The review concluded that, overall, Merced County Dept. of WI is meeting applicable WIA requirements concerning financial management. There was an instance of noncompliance noted in the area of cost sharing. The observation noted that although there were signed Memoranda's of Understanding with each partner that describe the activities and goals of the Merced One-Stop Center, the agreements do not include arrangements for the sharing of general operating expenses. Only two of the thirteen partners located at the Merced One-Stop provided any fair share contribution toward the general operating expenses of the center. An allocation procedure has been developed in response to the observation and approved by the State.

ATTACHMENT(S):

Procedure for Allocation of One-Stop Costs

PROCEDURE FOR ALLOCATION OF ONE STOP COSTS

The One-Stop system described in the Workforce Investment Act and the implementing regulations requires the collaboration of a number of Federally funded workforce development activities. The Act and the regulations further stipulate that the required partners in One-Stop activities share in the costs of the system. The shared costs of the One-Stop center or system are those costs that benefit multiple partners.

In order to comply with WIA regulations the Merced County Department of Workforce Investment, the One Stop Operator, will do the following:

1. At the beginning of each fiscal year the Merced County Department of Workforce Investment will compile (based on prior year expenses and current year budgets) cost figures for operation of the Merced County WorkNet Employment Resource Centers. These figures will be separated to show costs applicable to only the Department of Workforce Investment, and those costs that are applicable to more than one partner and are therefor shared costs.
2. The Operations Officer and Special Projects Staff of the Department of Workforce Investment will meet with each partner to review costs that may be applicable to that partner. Along with the partner, staff will determine the benefit derived by the partner from the One Stop program, the allocable costs for each partner, and what the partner will contribute to cover those costs.
3. The cost allocation and proposed contributions will be reviewed by the Workforce Investment Board.
4. All MOU's with WorkNet partners will be updated to include procedures for cost allocation and approved by the Workforce Investment Board.

Approved by Director: _____ Date _____

Approved by Assistant Director _____ Date _____