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DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

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E-mailed 12/17/07jas
FISCAL REPORTING 07-02

DATE: December 17, 2007

SUBJECT: Michigan Regional Skills Alliance (MiRSA[®]) Fiscal Reporting and Financial Management Instructions

APPLICATION: Michigan Works! Agencies (MWAs)

PURPOSE: To issue fiscal reporting and financial management instructions for the MiRSA initiative.

REFERENCE: The Workforce Investment Act (WIA) of 1998
20 CFR, Parts 651-652 and 660-671, et al.

CONTACT: Mary Cupp, Federal Reporting Section Chief, Workforce Programs Division

TELEPHONE: (517) 241-1664

FAX: (517) 373-2927

SUMMARY: Governor Jennifer Granholm announced the Michigan Regional Skills Alliances initiative in her State of the State address in January 2004. MiRSAs are business-driven, business-focused partnerships that address workforce issues in a specific region and industry sector. The primary goals of the initiative are to provide Michigan businesses with a highly-skilled workforce and connect Michigan citizens to good jobs with opportunities for career advancement. Funding for the MiRSA program comes from WIA formula grant funds awarded to the State of Michigan and, as such, requires fiscal reporting in accordance with WIA regulations.

Michigan Regional Skills Alliances and MiRSA are Registered Service Marks of the
Department of Labor & Economic Growth/Bureau of Workforce Programs

POLICY:

GENERAL

This policy document provides the following information for MiRSA contracts funded with WIA Statewide Activity:

- Categorization of MiRSA Expenses
- Program Income
- Program Year
- MiRSA Financial Expenditure Reporting
- Due Dates for Fiscal Expenditure Report Submissions
- Accrued Expenditure Reporting

WIA funding provided through MiRSA contracts is to be used and administered in accordance with federal WIA rules and regulations.

- WIA, Public Law 105-220, dated August 7, 1998
- WIA, Final Rule 20 CFR, Part 652 et al, dated August 11, 2000

CATEGORIZATION OF MiRSA EXPENSES

MiRSA contracts are specifically for the coordination of various skill training, job development, and employer outreach activities deemed necessary to ensure that all job-seekers in industries located in Michigan will be trained to do the work that employers in those industries need. As contracts awarded solely for the performance of programmatic functions or activities, the entire cost of the MiRSA contracts are classified as programmatic cost. Therefore, the WIA administrative cost limitation would not apply to these contracts.

PROGRAM INCOME

Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, and from the sale of commodities or items fabricated under a grant agreement. Per federal WIA regulations, interest earned on funds received under WIA Title I must also be treated as, and included in the calculation and reporting of, program income. Calculation of all program income earned under WIA Title I must be by use of the “Addition Method” described in federal WIA Regulations (20 CFR, Part 667.200).

All program income earned on WIA funds during the life of a WIA grant or contract must be expended during the life of the grant or contract. As presented in this PI in the instructions for preparing financial expenditure reports on MiRSA contracts, program income earned and expended is to be reported separately from the expenditures of WIA funding.

PROGRAM YEAR (PY)

WIA grants are awarded by the U.S. Department of Labor (USDOL) to operate on a PY basis of July 1st through June 30th. Because they are funded with WIA funds, MiRSA contracts are awarded on the PY format and will be reported on a PY basis. Even in situations where the effective date of a MiRSA contract is other than July 1st of the PY in which the contract is

awarded, if the MiRSA contract extends beyond the next June 30th (end of the PY) and has not been fully expended, preparation and submittal of an “Annual Settlement” expenditure report on the MiRSA contract as of June 30th will be required.

Monthly expenditure reporting on MiRSA contracts will continue after submission of a June 30th Annual Settlement report for the balance of the contract period, or until the funds are fully expended, whichever occurs first. However, PY identification of the funds for the monthly fiscal expenditure reporting will need to change to reflect the new PY in which the funds are being expended in.

EXAMPLE:

A MiRSA contract identified as a PY 2007 contract is awarded for the period of September 1, 2007, through August 31, 2008.

- Monthly fiscal expenditure reporting on the contract for September 2007 through June 2008 will be identified with the PY as “2007.”
- The contract has not been fully expended as of June 30, 2008; therefore, an Annual Settlement report for the PY through June 30, 2008 will be required.
- For monthly fiscal expenditure reports for the period of July 1, 2008, through the end of the contract period (August 31, 2008), the PY designation on the report submissions will be “2008.” (Note: There is no change made to the Appropriation Year designation of the contract funding.)

MiRSA FINANCIAL REPORTING

MiRSA contract recipients must submit financial expenditure reports, on an accrued basis, monthly for the life of the contract. As already discussed, an Annual Settlement report is required coinciding with the WIA program year-end of June 30th each year, and a “Closeout” report due upon either full expenditure of the contract, or expiration of the contract (whichever occurs first).

For compliance with new federal USDOL reporting requirements, all expenditures must be tracked and reported in dollars and cents.

MiRSA Monthly Financial Expenditure Report (Form WFP-322)

- For the Months of October through August:
Submission of monthly expenditure reports are due no later than the 20th calendar day after the end of the month being reported on (January 20, February 20, March 20, etc.).

In situations where the 20th calendar day after the end of a report period falls on a weekend or legal holiday, the quarterly report must be submitted no later than the last business day prior to the 20th calendar day after the end of the report period.

- For the Month Ending September 30:
The monthly expenditure report is due no later than October 10. The earlier due date for this month is required in order for the Department of Labor & Economic Growth (DLEG) to meet deadlines established in the State of Michigan's fiscal year-end closing process.

MiRSA Annual Settlement/Closeout Report (Form WFP-323)

- The MiRSA Annual Settlement/Closeout Expenditure Report form is to be used for reporting MiRSA expenditure data for Annual Settlement and Closeout purposes.
- The due date for all MiRSA Annual Settlement Expenditure reports is August 29th, 60 days after the end of the WIA PY.
- Due date for the MiRSA Closeout report is no later than 60 days after the end of the month that the contract funds were fully spent or expired.

Submission of Monthly, Annual Settlement, and Closeout Reports

All MiRSA Monthly, Annual Settlement, and Closeout report forms may be mailed to the address below, or transmitted by fax to (517) 241-2026. If reports are faxed, the original document with original authorized signature, must be retained on file by the submitting agency for possible review by the DLEG monitor and/or auditors. Submission of all MiRSA expenditure reports must be in a timely manner so that DLEG/Financial Services Division receives the reports by the report due date.

Michigan Department of Labor & Economic Growth
Attn: Federal Financial Services
Ottawa Building, 4th Floor
611 West Ottawa Street
Lansing, Michigan 48909

ACCRUED EXPENDITURE REPORTING

Agencies which do not maintain a computerized accrual accounting system may meet the accrual requirements by reporting actual expenditures plus accruals which are based on documentation on hand. Such documentation is to show a link between the accrual figures (from an accrual worksheet) and non-accrual financial accounts (journals and ledgers). All financial reports submitted to the DLEG must be traceable to journals, ledgers, and work sheets. All costs reported must have adequate documentation on file. Unsupported costs may be an audit exception and may be disallowed.

INQUIRIES

Questions regarding the information contained in these instructions should be directed to the Federal Reporting Section of the DLEG – Office of Financial Services, Workforce Development Division, at (517) 373-2927 (fax number).

EFFECTIVE: Effective date for the contents of this PI is July 1, 2007.

EXPIRATION: Ongoing

SIGNATORY: SIGNED
Allan Pohl, Director, Bureau of Finance & Administrative Services

AP:MC:JAS
Attachments

Michigan Regional Skills Alliances (MiRSA)
Monthly Expenditure Report
(Form WFP-322) Instructions

The MiRSA Monthly Expenditure Report (WFP-322) is to be used to report accrued expenditures by cost category presented in dollars and cents. A separate MiRSA Monthly Expenditure Report form must be prepared and submitted for each fund source, fund type, and appropriation year combination of funds awarded through a MiRSA contract.

The following instructions apply in completing the MiRSA Monthly Expenditure Report (WFP-322) form:

SECTION NAME

INSTRUCTIONS

I. IDENTIFICATION

- | | |
|-----------------------------|--|
| 1. Agency Information | Enter the Agency Name, Street Address, City, State, and Zip Code for the entity issued the funds being reported for on this form. |
| 2. Fund Source | Check the appropriate fund source for the expenditures being reported for on this form. (Check only one fund source per submittal.) |
| 3. Type | Enter the one-digit "Fund Type" alpha code indicated on the Contract document identifying the specific fund type of the fund source designated in data field 2 above. |
| 4. Agency Number | Enter the two-digit Agency number as assigned by the Michigan Department of Labor & Economic Growth (DLEG)/Bureau of Workforce Programs for the agency/entity being reported for on this form. |
| 5a. Appropriation Year (AY) | Enter the AY of the funds being reported on (as designated in the applicable Contract document). |
| 5b. Program Year (PY) | Enter the PY of the funds being reported on (as designated in the applicable Contract document). |
| 6. Contract Number | Enter the four-digit numeric contract number as designated on the Contract document. |
| 7. Report Period | Enter the beginning date of the contract and the last day of the month for the report period; i.e., from October 1, 2007, to May 31, 2008. |
| 8. Report Number | Check the appropriate month that the report is being submitted for. |

9. Report Type Check to indicate if this submission is either an “Original” or “Revised” report.
10. Contact Person Enter the name of the individual to contact should questions or problems arise with the expenditure report.
11. Phone Number Telephone number for the contact person.

II. ACCRUED EXPENDITURES BY MiRSA COST CATEGORY

MiRSA cost category expenditures will be reported in this section as instructed for each line item. Do not enter program income expenditures on these lines. Program income expenditures are to be entered on the “Program Income Expended” line (IV) only.

1. Program Costs For each of the individual Program cost categories and the Program total line, enter the amount of monthly and Year-to-Date (YTD) Program costs incurred for the MiRSA contract in the appropriate columns.

III. TOTAL NONFEDERAL FUNDS EXPENDED Enter the total amount of any and all non-Federal Funds expended on the MiRSA program during the month and YTD for the MiRSA program.

IV. PROGRAM INCOME EXPENDED Enter the amount of Program Income expended during the month and YTD that was earned on the fund source the report is being submitted for. It is not necessary for the YTD amounts of “Program Income Expended” and “Program Income Earned” to match; however, the amount reported as expended YTD cannot exceed the amount reported as Program Income Earned YTD in Section V.

V. PROGRAM INCOME EARNED Enter the amount of program income earned this month and YTD on the fund source the report is being submitted for. It is not necessary that these figures equal the amounts reported as Program Income Expended in Section IV.

VI. UNOBLIGATED FUNDS Enter the amount of the fund source the report is being submitted for that is not committed under a grant/contract as of the end of this report period.

VII. REMARKS Use this space to provide any additional or explanatory information.

VIII. CERTIFICATION

The expenditure report is to be signed and dated by the authorized official(s) responsible for the accuracy of the report. It must be signed by someone other than the individual completing the report. Forms cannot be signed by other staff for the authorized official. Authorized signatures must be on file with the DLEG.

IX. FOR DLEG USE ONLY

Leave blank.

Michigan Regional Skills Alliances (MiRSA)
Annual Settlement/Closeout Report
(Form WFP-323) Instructions

The MiRSA Annual Settlement/Closeout Report (Form WFP-323) is to be used to report expenditures by cost category presented in dollars and cents. Closeout data must reflect actual expenditures. A separate MiRSA Annual Settlement/Closeout Report form must be prepared and submitted for each fund source, fund type, and appropriation year combination of funds awarded through a MiRSA contract. The "Cash Statement" section of the Closeout form shall report final cash information.

SECTION NAME

INSTRUCTIONS

I. IDENTIFICATION

- | | |
|-----------------------------|---|
| 1. Agency Information | Enter the Agency Name, Street Address, City, State, and Zip Code for the entity issued the funds being reported for on this form. |
| 2. Fund Source | Check the appropriate fund source for the expenditures being reported for on this form. (Check only one fund source per submittal.) |
| 3. Type | Enter the one-digit "Fund Type" alpha code indicated on the Contract document identifying the specific fund type of the fund source designated in data field 2 above. |
| 4. Agency Number | Enter the two-digit Agency number, as assigned by the Michigan Department of Labor & Economic Growth (DLEG)/Bureau of Workforce Programs for the agency/entity being reported for on this form. |
| 5a. Appropriation Year (AY) | Enter the AY of the funds being reported on (as designated in the applicable Contract document). |
| 5b. Program Year (PY) | Enter the PY of the funds being reported on (as designated in the applicable Contract document). |
| 6. Contract Number | Enter the four-digit numeric contract number as designated on the Contract document. |
| 7. Report Period | Enter the beginning date of the PY and the last day of the quarter for the report period; i.e., July 1, 2007, to June 30, 2008. |
| 8. Report Number | Indicate which report type the submission is: Annual Settlement or Closeout. |

9. Report Type Check to indicate if this submission is either an “Original” or “Revised” report.
10. Contact Person Enter the name of the individual to contact should questions or problems arise with the closeout report.
11. Phone Number Telephone number for the contact person.

II. EXPENDITURES BY WIA COST CATEGORY

MiRSA cost category expenditures will be reported in this section as instructed for each line item. Do not enter program income expenditures on these lines. Program income expenditures are to be entered on the “Program Income Expended” line (Section IV) only.

1. Program Costs Enter the total amount expended since last reported month and YTD Program Costs incurred for each of the individual program cost categories and total line.

III. TOTAL NON-FEDERAL FUNDS Enter the total amount of any and all non-Federal Funds expended on the MiRSA program during the month and YTD for the MiRSA program.

IV. PROGRAM INCOME EXPENDED Enter the amount of Program Income expended since last month and YTD. When preparing an Annual Settlement Report submission, it is not necessary for the YTD amounts of Program Income Expended and Program Income Earned to match; however, the amount reported as expended YTD cannot exceed the amount reported as Program Income Earned YTD in Section V.

V. PROGRAM INCOME EARNED Enter the amount of program income earned since last reported month and YTD.

VI. UNOBLIGATED FUNDS Enter the amount of the fund source the report is being submitted for that is not committed under a grant/contract as of the end of this report period.

VII. CASH STATEMENT

1. Cash Carry-In If funding was allowed to be carried-in from the previous PY, enter the amount of cash carried in from the previous PY. If no cash carry-in, enter -0-.

- | | | |
|----|---------------------------|--|
| 2. | Cash Received | Enter the amount of cash received on the contract from the beginning of the PY. <u>Do not include any program income or any cash draws in transit.</u> |
| 3. | Total Cash Available | Enter the total of Line 1 and Line 2. |
| 4. | Less: Expenditures | Enter total Program expenditures from the YTD column of Section II. |
| 5. | Balance | Enter the result of Line 3 “Total Cash Available” minus Line 4 “Expenditures.” |
| 6. | Adjustments | Enter any adjustments (Additions or Subtractions) to cash only as directed by DLEG/Office of Finance and Administrative Services. |
| 7. | Excess Cash | Enter the difference between Line 5 and Line 6 above. |
| 8. | Excess Cash Refund Status | If there is a balance of cash indicated on Line 7 above, check the appropriate description to indicate the disposition of the excess cash on hand. Check only one. |
| | (a) Has Been Refunded | Check here if the excess cash balance has been refunded to the State of Michigan. |
| | (b) Must Be Refunded | Check here if the excess cash balance has not yet been refunded to the State of Michigan. (Submit refund with closeout report.) |

VIII. EQUIPMENT

- | | | |
|----|-------------------------|---|
| 1. | No Equipment Purchased | Check here if no equipment was purchased utilizing funds from this contract. |
| 2. | Equipment was Purchased | Check here if equipment was purchased utilizing funds from this contract. List all equipment valued at \$5000 or more per acquisition cost. |

IX. UNCLAIMED CHECKS

1. There are NO unclaimed checks for this contract/fund source. Check this line if there are no unclaimed checks for the contract/fund source.

2. All unclaimed checks/payments under this contract have been accounted for:
 - a. On the report of Unclaimed Property submitted to the Michigan Department of Treasury (Enclose a copy of the applicable Unclaimed Property report.)

 - b. In the books and accounting records of the entity, but have not yet submitted on a report of Unclaimed Property to the Michigan Department of Treasury

X. TAX CERTIFICATION

The authorized signatory of the Closeout report certifies that the entity has complied with the requirements of applicable state and federal laws, including the obtaining of employer identification/account number; and the collection, payment, deposit, and reporting of federal, state, and local taxes, and the federal requirements, for provision of W-2 forms to present/former employees and enrollees.

XI. CONTRACTOR'S RELEASE

The authorized signatory remises and discharges the State of Michigan, its offices, agents, and employees of and from all liabilities, obligations, claims, and demands whatsoever under or arising from this program, except as indicated.

XII. REMARKS

Use this space to provide any additional or explanatory information.

XIII. CERTIFICATION

This form is to be signed and dated by the authorized official responsible for the administration of the program referenced on the document. The form cannot be signed by other staff for the authorized official. Authorized signatures must be on file with the DLEG.