



LOS ANGELES COUNTY

WIA Adult, Dislocated Worker, Adult Special Needs and Youth Programs

DIRECTIVE

Number: LACOD-WIAD08-27

Subject: WIA Closeout Procedures

Date: 3/31/08

Effective Date: Upon release

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TO: WIA CONTRACTORS

Purpose:

This directive provides guidance for the closeout of Workforce Investment Act (WIA) program activities.

Scope:

This closeout directive applies to WIA Contractors in receipt of WIA grant funds from the County.

REFERENCES:

- Title 20 Code of Federal Regulations (CFR) WIA Final Rule Section 667.300(d), Reporting Requirements
- Title 29 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 Governments
- Training and Employment Guidance Letter (TEGL) 17-05, dated February 17, 2006.
- WIAD06-3, WIA Closeout Handbook, dated July 24, 2006
- WIAD03-9, Property–Prior Approval, Purchasing, Inventory and Disposal, dated March 25, 2004
- LACOD-WIAD08-19, Reporting Accruals, dated January 30, 2008
- LACOD-WIAD08-24, Program Income, dated March 31, 2008
- LACOD-WIAD08-25, Allowable Costs, dated March 31, 2008
- LACOD-WIAD08-26, WIA Program Inventory Closeout, dated March 31, 2008

- LACOD-WIAD08-28, Final-Final FY 2007-08 Fiscal/Invoicing Guidelines, dated March 31, 2008

BACKGROUND:

Title 20 CFR Section 667.300(d) states that a final financial report is required after the expiration of a funding period or the termination of grant support.

CLOSEOUT SUBMITTAL REQUIREMENTS:

WIA Contractors must submit closeout documents to the County within 60 calendar days when ANY of the following occur:

- A sub-grant agreement or interagency agreement has reached the term end date of the agreement and the contract has not been amended or no contract renewal has been approved;
- Formula funds (LWIAs only) are at the end of the two-year term of the funds;
- Any line item within a sub-grant agreement or interagency agreement is fully spent and the term has ended;
- Any line item within a sub-grant agreement or interagency agreement is fully spent and the term has NOT ended; or
- Any line item within a sub-grant agreement or interagency agreement has reached the term end date and the funds are NOT fully spent.

If the contract has been renewed or amendment approved refer to directive LACOD-WIAD08-28, Final-Final FY 2007-08 Fiscal/Invoicing Guidelines 2007-08.

CLOSEOUT TIMEFRAMES:

The following are actions WIA Contractors must take in preparing to file closeout documents. All timeframes listed are considered to be approximate. As a special caution to non-LWIAs or any entity that will not have continuing WIA funding, please note, as stated below, that no WIA expenditures can take place against the closing line item/sub-grant agreement after the term end date. Prepaying for any required records storage or audits is suggested. All closeout work that takes place after the term end date must be funded by sources other than in the closing of a WIA line item/sub-grant agreement.

Three months prior to the term end date:

1. Update cash disbursements and expenditure reports in the Job Training Automation (JTA) system as necessary.
2. Program income earned should be fully expended.

One month prior to the term end date:

1. Identify all unliquidated obligations and work toward finalizing the cost prior to the term end date since no unliquidated obligations can be shown on a closeout report.
2. Gather the necessary closeout documents as described in this directive.
3. Inform staff the line item, subgrant agreement, interagency agreement or project is closing and no staff time can be charged after the term date.
4. Notify any subcontractors that all final invoices must be submitted by a specific date and that failure to do so will result in non-payment for goods or services render

When the term end date occurs:

1. Draw down cash to cover all expenses that occurred up to the term end of the line item/subgrant agreement.
2. No costs of any kind can occur and will not be allowed after the term end date.
3. Pay all accruals prior to submitting the closeout package. Closeout packages will not be processed until all accrued expenditures are paid.

In **the 60 calendar days** between the term end date and the date the closeout submittal is due, the following steps must occur:

1. Complete payments to all subcontractors for any accruals, since final invoices should have been received.
2. Prepare and enter Participant closeout reports in the JTA system.
3. Complete, sign and mail all necessary closeout forms to the address provided below.

County of Los Angeles
Community & Senior Services
WIA Planning & Operations Division
3175 W. 6th Street
Los Angeles, CA 90020
Attention: Maggie Mireles

4. Complete and mail the End of Project Report to the address provided below:

County of Los Angeles
Community & Senior Services
WIA Planning & Operations Division
3175 W. 6th Street
Los Angeles, CA 90020
Attention: Maggie Mireles

5. Return any unexpended cash to the County at the address below. All returned funds must be documented with the name of the entity, Year of Appropriation (YOA), subgrant agreement number, funding stream, grant code and any other identifying factors to allow the funds to be returned to the appropriate account.

County of Los Angeles
Community & Senior Services
Financial Management Division
3175 W. 6th Street,
Los Angeles, CA 90020
Attention: Rogelio Tapia

POLICY AND PROCEDURES:

Closeout requirements for WIA Program are contained in Title 29 CFR Section 97.50 or Section 95.71. This FINAL-FINAL Closeout Directive is requesting all expenditures, including ACCRUALS THROUGH June 30, 2008. Costs incurred for participant services after the contract term has expired **will be disallowed**. This represents all costs associated with the operation of the program for the period of performance of your contract. Due to the shortness of time, your agency will be estimating costs for the month of June. **No additional requests or adjustments will be made after July 10, 2008.** **ALL CONTRACTOR CLOSEOUT REPORTS ARE DUE TO THE COUNTY BY 5:00 P.M. ON JULY 10, 2008.**

Fiscal/Financial Closeout

Refer to directive LACOD-WIAD08-28, Final-Final FY 2007-08 Fiscal/Invoicing Guidelines, dated March 31, 2008.

Participant Closeout

All Participants must be terminated in JTA by June 30, 2008.

Disposition of Supplies (for WIA Contractors required to file a property certification)

Supplies are defined as items with a useful life of one year or less and a unit acquisition cost of less than \$5,000. Supplies can include computers (unless the price exceeds the \$5,000 per unit cost), telephones, calculators, furniture, copy machines, fax machines and other supplies such as pens, paper, etc. When reporting supplies on the WIA Closeout Inventory worksheet (worksheet is included in this directive), all similar supplies should be grouped together by category for inventory and fair market value purposes (e.g., computers, furniture, etc.).

If an aggregate inventory of unused supplies exists upon termination of the program or upon completion of the project that is \$5,000 or more in total aggregate "fair market" value (refer to the Calculation of "Fair Market" Value section of this directive) and the WIA Contractor will use the supplies for another federal program, they may retain the supplies for that program. If the WIA Contractor cannot use the supplies for another federal program, they may retain the supplies for use on nonfederally sponsored activities or sell them. However, in either situation, compensation for the WIA federal

funds' share must be returned to the County. The amount of compensation is computed by applying the percentage of WIA federal funds used to purchase these items to the current "fair market" value of the supplies. If only WIA federal funds were used, then use 100 percent for the calculation. The WIA Contractors may deduct and retain from the WIA share \$500 or 10 percent of the proceeds of the sale, whichever is less, for the WIA Contractor's selling and handling expenses. The balance of funds must be submitted within 30 days to the address provided below. The name of the entity, subgrant number, year of appropriation, and the funding stream must be provided when submitting the funds.

Funds received from the sale of supplies must be sent to:

County of Los Angeles
Community & Senior Services
Financial Management Division
3175 W. 6th Street
Los Angeles, CA 90020
Attention: Rogelio Tapia

If the WIA Contractor has no further use for the equipment and wishes to dispose of the equipment (other than selling the equipment) they must request in writing disposition instructions from the County. If the inventory of unused supplies is less than \$5,000 in aggregate, the WIA Contractor may retain the supplies with no further obligation.

Send written request to:

County of Los Angeles
Community & Senior Services
Internal Supportive Services
3175 W. 6th Street
Los Angeles, CA 90020
Attention: Ellie Wolfe

Disposition of Equipment (Governmental Agencies required to file a property certification)

For equipment with a per unit fair market value (refer to the Calculation of "Fair Market" Value section of this directive) of \$5,000 or more, WIA Contractors must take the following steps (Title 29 CFR Part 97.32):

- The WIA Contractor may use the equipment in the program or project for which it was acquired as long as it is needed, whether or not the program or project continues to be supported by federal funds.
- If the equipment is no longer needed by the original program/project, the equipment may be used in other activities currently or previously supported by a federal agency. Priority should be given to federal programs funded by the Employment Training Administration of the Department of Labor (DOL).
- If the equipment is no longer needed by the program/project or for other activities currently or previously supported by a federal agency, the WIA Contractor may

retain or sell the equipment and reimburse the County for the WIA federal funds' share of the equipment. The compensation is determined by multiplying the current "fair market" value or proceeds from the sale by the WIA federal funds' percentage share. If only WIA federal funds were used, then use 100 percent for the calculation. Actual and reasonable selling and handling expenses (\$500 or 10 percent of the proceeds of the sale, whichever is less) may be deducted from the proceeds of the sale. The balance of funds must be submitted within 30 days to the address provided below.

- The name of the entity, subgrant number, year of appropriation, and funding stream must be provided when submitting the funds.

County of Los Angeles
Community & Senior Services
Financial Management Division
3175 W. 6th Street
Los Angeles, CA 90020
Attention: Rogelio Tapia

- If the WIA Contractor has no further use for the equipment and wishes to dispose of the equipment (other than selling the equipment), they must request in writing disposition instructions from the County to the address provided below.

County of Los Angeles
Community & Senior Services
Internal Supportive Services
3175 W. 6th Street
Los Angeles, CA 90020
Attention: Ellie Wolfe

For equipment with a "fair market" value of less than \$5,000 (per unit), WIA Contractors may retain, sell or dispose of the equipment and nothing needs to be reported to the County. A disposition record must be kept for any transaction in accordance with WIA record retention requirements.

Disposition of Equipment (Community Based Organizations, Institutions of Higher Education, Hospitals, other Nonprofit and Commercial Entities required to file a property certification)

For equipment with a per unit "fair market" value (refer to the Calculation of "Fair Market" Value section of this directive) of \$5,000 or more, WIA Contractors must take the following steps (Title 29 CFR Part 95.34):

- The WIA Contractor may use the equipment in the program or project for which it was acquired as long as needed, whether or not the program or project continues to be supported by federal funds.
- If the equipment is no longer needed by the original program/project, the WIA Contractor shall use the equipment in connection with its other federally

sponsored activities. Priority should be given to activities sponsored by the Employment Training Administration of the DOL. Next priority should be to activities sponsored by other federal awarding agencies.

- If the equipment is no longer needed by the program/project or used in connection with other federally sponsored activities, the WIA Contractor may retain the equipment for other uses provided compensation is made to the County. The compensation is determined by multiplying the current "fair market" value or proceeds from the sale by the WIA federal funds' percentage share. If only WIA federal funds were used then use 100 percent for the calculation. WIA Contractors are permitted to deduct actual reasonable selling and handling expenses (\$500 or 10 percent of the proceeds of the sale, whichever is less) from the proceeds of the sale. The balance of funds must be submitted within 30 days to the address provided below.
- The name of the entity, subgrant number, year of appropriation, and funding stream must be provided when submitting the funds.

County of Los Angeles
Community & Senior Services
Financial Management Division
3175 W. 6th Street
Los Angeles, CA 90020
Attention: Rogelio Tapia

- If the WIA Contractor has no further use for the equipment and wishes to dispose of the equipment (other than selling the equipment), they must request in writing disposition instructions from the County to the address provided below.

County of Los Angeles
Community & Senior Services
Internal Supportive Services
3175 W. 6th Street
Los Angeles, CA 90020
Attention: Ellie Wolfe

For equipment with a "fair market" value of less than \$5,000 (per unit), WIA Contractors may retain, sell or dispose of the equipment and nothing needs to be reported to the County. A disposition record must be kept for any transaction in accordance with WIA record retention requirements.

Calculation of "Fair Market" Value

The selling price of an item that is sold through auction, advertisement, or a dealer is the "fair market" value of the item regardless of any prior estimates. An item that is not sold but retained by the entity has a "fair market" value based on similar items that are offered for sale, using the selling price if known. Methods for determining fair market value include, but are not limited to:

- Auctions
- Classified advertisements for similar used items
- Dealers
- Licensed appraisers

For automobiles, trucks, and vans, the standard authority on the value of used vehicles is the Kelley Blue Book. Depreciated value is not “fair market” value, nor a determining factor in establishing the “fair market” value.

Equipment Records

WIA Contractors must maintain accurate records of all equipment (per unit cost of \$5,000 or more) purchased with federal funds. This equipment must have an identification tag or mark permanently attached showing that it was purchased with WIA federal funds. A physical inventory of the equipment must be taken and the results reconciled with the equipment records at least once every two years.

The equipment records shall include the following information:

1. A description of the equipment.
2. Manufacturer’s serial number, model number, Federal Stock number, national stock number, or other identification number.
3. Source of the equipment, including the award number.
4. Whether title vests in the recipient or the federal government.
5. Acquisition date (or date received, if the equipment was furnished by the federal government).
6. Per unit acquisition cost.
7. Records showing maintenance procedures to keep the equipment in good operating order.
8. Location and condition of the equipment and the date the information was reported.
9. Disposition date, sale price, loss, theft, etc.

Records Retention

All equipment records must be retained for three years after the date of acquisition, through final disposition and then maintained for three years beyond that point.

Program income transaction records are retained from the end of the WIA Contractor’s fiscal year in which the income is earned. WIA Contractors must retain all records of each WIA allocation for a period of three years from the date of their last expenditure report submitted to the County. 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. Refer to the appropriate CFR-either 29 CFR 97.42 or 29 CFR 95.53.

Disposition of Disallowed Costs and Monitoring Findings

When the resolution process results in a determination by the County, State or DOL that identifies the disallowance of expenditures for WIA funds not expended in accordance with the WIA, a debt is established. The County is expected to collect that debt. Disallowed costs from WIA funds must be repaid from nonfederal cash as a lump sum or as installments; stand-in costs may be also used to offset disallowed costs.

Contacts:

Workforce Investment Area (WIA) Planning & Operations Division
Maggie Mireles, Program Manager
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jsakane@css.lacounty.gov

Contracts Management Division
Carol Domingo, Program Manager
(213) 351-5090
cdomingo@css.lacounty.gov

Financial Management Division
Rogelio Tapia,
(213) 738-2665
RogelioTapia@css.lacounty.gov

Internal Supportive Services
Ellie Wolfe
(213) 738-2681
ewolfe@css.lacounty.gov



**Josie Marquez, Executive Director
Workforce Investment Board**