



RIVERSIDE COUNTY
ECONOMIC DEVELOPMENT AGENCY

POLICIES & PROCEDURES

Date: December 5, 2003

Number: 16-01 Rev. 12/05/03

SUBJECT: **EXPENDITURE REPORTING/INVOICING PROCEDURES**

PURPOSE: Revisions to April 30, 2003 version which provides guidance and direction to Economic Development Agency (EDA) Workforce Development Center (WDC) agreement holders and staff on appropriate invoicing, required substantiating documentation and processing time for such contractual reimbursements. Revisions are underscored.

REFERENCES: Workforce Investment Act, §§183(a)(b), 184(a)(1)(2)(3), 185(a)(1)(3), (c)(1)(3), and 199A(c)

Workforce Investment Act, Financial Technical Assistance Guide, July 2002

Office of Management & Budget (OMB) Circular A-87, A-21, A-122

20 CFR 667.300(c)(3)

County of Riverside Board of Supervisors Policy D-1

Contractual Agreement Assurances and Certifications Section
Compliance with Laws and Regulations

Implements material provisions of Policies and Procedures Draft No. 01-03, dated March 15, 2001

California Employment Development Division Bulletin WIAB03-16, August 19, 2003

Supersedes Field Memorandum No. 00-03, dated April 27, 2000

Supersedes Field Memorandum No. F01-01, dated July 1, 2001

Revises and renames EDA Policy and Procedures No. 16-1, Invoicing Procedures dated April 30, 2003

DISTRIBUTION: WDB; SP; 0-SP; ADMIN; PPD; FISCAL; PROG. COMP.; CUST.SERV.

LWIA IMPOSED

REQUIREMENTS: Locally imposed requirements are indicated in ***bold, italic*** type.

EFFECTIVE DATE: January 1, 2004

BACKGROUND:

The United States Department of Labor (DOL), through the State of California, provides funding to the Riverside County Local Workforce Investment Area (LWIA) on a cost reimbursement basis. As a result, this form of funding is the basis used to finance the agreements entered into between the LWIA and the agreement holders. Cost reimbursement agreements are defined as those agreements in which the costs, as listed within the specific agreement budget, expended by the agreement holders in providing the goals and services of that agreement are reimbursed in accordance with the terms and schedule of that agreement. An invoice, with required substantiation, shall be submitted demonstrating timely accruals, as required within the agreement. This policy describes the manner in which the invoice and attachments must be completed and submitted.

POLICY

Each agreement holder, and any subtier agreement holder shall invoice the County of Riverside on or before the 10th of each month for all agreement costs incurred during the previous month. Agreement holders shall attach all backup source documentation as defined for each agreement holder in support of each invoice. This requirement is a condition for reimbursement. The invoice shall be submitted to EDA Planning and Development (PD) Unit for initial processing on a monthly basis. If the 10th falls on a weekend or holiday, then the invoice is due on the previous workday. The processing of invoices submitted after the 10th of the month will experience delays. Invoices not submitted monthly are considered late, will not go through the normal payment cycle and will be processed accordingly. No invoices will be paid after the annual fiscal closeout.

If the agreement holder cannot meet the required invoicing time frame, then the agreement holder must notify the assigned Project Administrator to modify the billing terms in the agreement for submission of monthly accruals and invoices.

PROCEDURES

The appropriate invoice form with instructional guidelines will be provided upon execution of each agreement and may be obtained on the Internet at www.rivcojobs.com. When submitting an invoice, the agreement holder shall use the following invoicing procedures:

I. Completing the Invoice

The cover page (page 1) of the Invoice shall be completed as follows:

1. Insert agreement holder's name and address into the appropriate space(s).
2. Insert the invoice number (assigned by the agreement holder) and the agreement number (located on the front of the executed agreement).
3. Insert the duration of the executed agreement and reporting period.
4. Circle appropriate program type and funding title. (Exception: youth invoice)
5. Insert expenditure summary total. This is the total of worksheets B and B1 of the invoice. (Worksheets B, B1, C, C1 and E for youth invoice). These figures are inserted in the current period box on the front page of the invoice expenditure summary block. The Program-to-Date total may not exceed the total annual contract budget amounts.
6. Insert totals for current month expenses less any cash advance not reimbursed to EDA. Insert estimated cash need for next period if necessary. **Note: This is not encouraged on a regular basis and if requested, the cash advance worksheet must be completed.**
6. Insert the period of time for which actual expenditures are being reported. If the agreement is funded by more than one funding source or contains cost elements to be reported, then separate reporting pages must be completed for each funding title and/or reportable cost element.
7. The certification statement will be read. The person who prepared the invoice form applies his/her signature, phone number, and date submitted in the appropriate spaces. The person who approves the invoice applies his/her signature, name, and title in the appropriate spaces.

NOTE: The person approving the invoice must be different from the person preparing the invoice.

II. Completing the Invoice Worksheets

A. Budget Columns

Insert budget figures from the agreement into the budget columns.

B. Expenditures To Be Reported

Insert the actual expenditures to be reported into the current billing period columns. If the agreement is funded by more than one funding source and/or contains cost elements to be reported, then separate reporting pages must be completed for each funding title and/or reportable cost element. Expenditures to be reported include, but are not limited to, the following:

1. Participant Wages-If applicable, insert participant wages for the current period.
2. Participant Benefits-If applicable, insert participant benefit amounts as identified in the agreement budget.
3. Staff Costs-Insert the allocated salaries for each staff position identified in the agreement budget.
4. Staff Benefits-Insert actual benefits amount allocated as identified in the agreement budget.
5. Reimbursable Expenditures-Insert expenditures, as well as accrued expenditures to the end of the reporting period.

C. Cash/In-Kind/Match Reporting

If the agreement budget includes a match requirement, the agreement holder shall report and submit detail on the appropriate Cost Reimbursement invoice page monthly. In-Kind claims are those services provided to the program that DO NOT represent actual cost incurred by the agreement holder but that benefit the program. Example: donated time, office space, etc. Cash-match claims are actual costs incurred by the agreement holder for the benefit of the program but are paid from non-federal funding sources.

D. Accrual Worksheet

The Code of Federal Regulations Part 20, §667.300 (c) (3) states: “....Reported expenditures and program income, including any profits earned, must be on the accrual basis of accounting and cumulative by fiscal year of appropriation. If the recipient’s accounting records are not normally kept on the accrual basis of accounting, the recipients must develop accrual information through an analysis of the documentation on hand.”

Therefore, in compliance with the regulation cited above, all expenditures are to be reported on an accrual basis. The accrual worksheet is to be completed to report accrued, allowable expenditures for the current report period. In the event that an agreement holder is not current in expenditure reporting or if

agreement holder cannot meet the required invoicing timeframe, an accrual worksheet must be completed and submitted on or before the 10th day of each month to include all allowable program costs (actual and estimated) beginning from the date of the most recently submitted expenditure report (invoice) through the end of the current reporting period. An explanation of the basis for the accrual must be included. If the 10th falls on a weekend or holiday, then the information is due the previous working day. Agreement holders cannot be paid for submitting accruals. Actual invoices must be submitted for payment.

In addition, EDA will maintain an accrued expenditure report in order to monitor compliance with this requirement. Failure to meet this requirement is subject to elements described in section IV C, Penalties.

E. Request for Cash Advance Worksheet

The agreement holder may, but is not required to, request an advance equal to one month's estimated expenditures (by line item) up to the amount of the line item budget. This is done in order to maintain a sufficient cash flow while waiting for actual expenditures to be reimbursed and is accomplished by completing the worksheet. An explanation of the basis for estimate must be included. Requests must also meet requirements of the EDA cash advance policy and procedures.

NOTE: Cash advances cannot be granted on line items that do not appear on the most current, approved agreement budget.

H. Completed Invoice

The completed and signed invoice is submitted for payment to:

**EDA Workforce Development Division
Planning and Development Unit
1151 Spruce Street
Riverside, CA 92507**

III. Supporting Documentation Requirement

A. Audit Requirement

Agreement holders receiving federal funds from all sources in an amount equal to or over the dollar amount threshold as indicated in the Office of Management and Budget (OMB) Circular A-133, or its successor, will be required to submit a copy of the current month's general ledger, or its equivalent, and payroll register(s) with each month's invoice.

B. No Audit Requirement

For those agreement holders receiving federal funds in an amount not requiring an audit per OMB Circular A-133, or its successor, a photocopy of the supporting invoice documentation must be submitted for at least the first three invoices of the agreement term or until satisfactory compliance with the acceptable documentation requirements has been met.

When it has been determined that satisfactory compliance has been met, EDA PD staff will then consider the agreement holder to be in a “**sound financial management status.**” The agreement holder then will only be required to submit a copy of the current month’s general ledger, or its equivalent, and payroll register(s) with each month’s invoice thereafter. The agreement holder will receive correspondence from EDA PD staff acknowledging the “sound financial management status.”

IV. Verification of Expenditures

A. Fiscal Reviews

Fiscal monitoring reviews will be done to verify expenditures billed are reasonable, necessary, allowable *and timely*. If backup documentation cannot be provided to support expenses invoiced, the agreement holder may be responsible for repayment of costs. EDA PD staff will conduct a yearly fiscal monitoring and retains the right to conduct more than one fiscal monitoring visit yearly as necessary.

B. Special Status

If at any time during fiscal reviews it is determined invoices have not been submitted monthly and/or expenditures are not substantiated, the agreement holder will be required to submit backup documentation for a three-month invoicing period and is considered to be on “special status” until such time that all expenditures are submitted or substantiated accordingly. Correspondence of such status will be submitted to the agreement holder by EDA PD staff. If the agreement holder is able to provide resolution prior to the end of the three-month period, the agreement holder may be released from the “special status.” EDA PD staff will submit correspondence to this effect.

C. Penalties

Failure to meet reporting requirements may result in withholding of reimbursement of expenditures and/or deobligation of funds. In addition, if it has been determined the agreement holder has not been submitting invoices on a monthly basis, they are considered to be on special status, and future funding may incur up to a 10% penalty for future contract amounts.

Agreement holders will receive a warning letter on the first occurrence of an untimely invoice. Untimely invoices, thereafter, will incur a 2% penalty, up to a maximum of five occurrences. Any untimely invoice after the fifth occurrence will incur the full 10% penalty or an amount decided at the discretion of the Workforce Development Administrator. Failure to submit monthly invoices timely may also effect scoring of the past performance component for future bidding. Percentages are cumulative. See table.

Late Invoice Occurrences and Penalty Fees	
First Occurrence	Warning Notification
Second “	2% Penalty
Third ”	4% Penalty
Fourth ”	6% Penalty
Fifth “	8% Penalty
Sixth or more	10% or Discretion of Workforce Development Administrator

D. Accessibility

All appropriate documentation as indicated in the Description of Acceptable Back up Documentation section of this Expenditure Reporting, Invoicing and Required Documentation policy must be maintained by the agreement holder and be accessible for review by EDA PD staff upon request. The U.S. Inspector General, the Secretary of Labor, the State of California and the County of Riverside reserve the right to conduct a compliance audit or monitoring of the agreement holder’s program at any time during normal business hours.

The County of Riverside reserves the right to monitor and visit, announced or unannounced, the agreement holder’s program, including visits to all locations, offices and training sites at any time during normal business hours.

The U.S. Department of Labor, the Office of the Inspector General, the State of California and the County of Riverside shall have access and the right to monitor and/or evaluate all conditions and activities in the agreement and to investigate/audit all records, books, papers or documents related to the conduct of programs funded by the county.

V. Description of Acceptable Back Up Documentation

The different types of payment documentation include: canceled checks; checks written and the bank statement showing they cleared; and, general ledgers or the equivalent. Invoice payments that cover more than one month must be requested for reimbursement at a monthly allocation rate. Journal vouchers transferring expenditures from one funding source to another must be supported by the originating source documents. In addition, all documentation must identify

allocation across all funding sources. The following list is a description of acceptable substantiating forms of invoice documentation:

A. Staff Salaries and Benefits

The agreement holder shall provide payroll register(s) for the current billing period(s) and source documentation supporting the payroll register (i.e. time cards, time study, etc.). Payroll expenses (i.e. payroll benefits, manual payroll checks, etc.) not reported on the payroll register, paid invoice(s), payment request forms or journal vouchers shall be submitted.

B. Staff Mileage

Completed mileage logs that specify name of staff person traveling, miles traveled, date of travel, destination and purpose of trip.

C. Conference/Training and Other Travel Costs

An agreement holder must follow the specific requirements in their **written** policies and procedures for travel, training, and conferences. In the absence of an operating manual, the amounts specified in County of Riverside Board of Supervisors Policy D-1 (attachment) shall be followed. Further, if the fiscal requirements at the federal, state, or county levels are more stringent than the agreement holder's, the agreement holder must follow those specific requirements.

A completed and approved travel expense claim form must be submitted containing name of staff person, purpose of trip, destination, and both staff and approval signatures, along with the following documentation as applicable:

1. Airfare-Paid invoice to travel agency or photocopy of paid airline ticket billed to staff person for whom the claim has been submitted.
2. Meals-Itemized meal receipt(s). If meals are included in the cost of the training, additional meals purchased will not be reimbursed unless justification can be provided.
3. Lodging-Hotel bill showing all reimbursable expenses billed to staff person for whom the claim has been submitted.
4. Mileage-Completed mileage logs that specify name of staff person traveling, miles traveled, date of travel, destination, and purpose of trip.
5. Agenda and Registration Brochure-Training/Conference information and/or agenda indicating the date, time, and place training/conference was/is to be held and the information to be presented.

6. Other Travel Costs

Travel expense claim, invoice(s), and/or statement(s) for alternate travel costs (i.e. toll roads, Metrolink, Fast Track, etc.) identifying staff person by name, date, and reason for travel.

D. Payroll Services

Paid invoice(s) or payroll service documentation.

E. Insurance and Bonding

Paid invoice(s) or deposits made to bonding accounts.

F. Printing Services and Photocopy Costs

Printing Services

Outside vender services (i.e. PIP, Kinkos, etc.): Paid invoice(s) and item(s) printed, unless the items are too voluminous, then the cover page and table of contents will suffice.

In-House Printing Services

Printing/Reproduction Request form and item(s) requested to be printed (unless too voluminous), journal voucher, or printing services statement.

Photocopy Costs

A usage fee or per-copy charge can be assigned to either leased or owned equipment as long as the agreement holder is not billing for the expense through another budget line item (i.e. maintenance agreement, etc.). A log documenting direct usage is recommended and preferred if a per-copy charge is used.

G. Office Furniture and Equipment Purchases

Paid invoice(s)

If purchase was for a fixed asset (equipment with a useful life of more than one year and an acquisition cost of \$5,000 or more per unit, including all costs related to the property's intended use) then packing slip(s) with signature of person receiving merchandise is required. Other information may be requested from the agreement holder to meet federal, state, and county imposed property management requirements.

Note: All office furniture and/or office equipment purchases must be on the Equipment List as identified in the agreement holders contract. In addition, State of California EDD and EDA written approval for tenant improvements and purchases over \$5,000 must be obtained prior to purchase. Current County of Riverside EDA procurement procedures must be followed as presented in Procurement Standards Policy and Procedures, 18-01. A physical inventory may be taken at any time

during the period the equipment is in the possession of an agreement holder (Code of Federal Regulations (CFR) Part 29 §97.32 (d)(1)). **This must be completed at least once every two years and reconciled with property records as required by CFR, Part 29 §97.32 (d) (2). In addition, all agreement holders must conduct a physical inventory of all property and equipment purchased with WIA funds annually, including subrecipients, and submit an accounting of property/equipment to EDA by date specified.**

H. Equipment Lease/Rental

Lease/Rental

Copy of the paid invoice or lease agreement outlining the monthly costs and payment schedule is required. Unless the equipment lease/rental is done on a less than arm's length transaction, it is considered a capital lease.

Capital Lease

A capital lease can only be applied to the agreement holder's contract on the use allowance method (annual rate not exceeding 6.66% of acquisition cost), depreciation method, or if equipment has been fully depreciated, a reasonable use allowance, if applicable, may be negotiated.

Note: Amounts billed to an agreement holder's contract can be charged either by the use allowance or depreciation methodology. Adequate property management records must be maintained by the agreement holder to support the methodology used. When the depreciation method is used, adequate depreciation records indicating the amount of depreciation taken each period must be maintained as well.

I. Equipment Repairs and Maintenance

Paid invoice(s) identifying specific equipment purchased, the maintenance agreement and length of coverage, or repairs performed.

J. Facility Rent/Lease

Rent/Lease

Paid invoice or, if no invoice is provided by the vendor, a copy of the lease/rental agreement outlining payment schedule. Agreement holder must maintain a current copy of the executed rental/lease agreement on file. If the equipment lease/rental is done on a less than arm's length transaction, then it is considered a capital lease.

Capital Lease

A capital lease can be applied to the agreement holder's contract on the use allowance method (annual rate not exceeding 2% of acquisition cost), depreciation method, or if the asset(s) has been fully depreciated, then a reasonable use allowance, if applicable, may be negotiated.

Note: Amounts billed to an agreement holder's contract by either the use allowance or adequate property management records must support depreciation method. When the depreciation method is used, adequate depreciation records indicating the amount of depreciation taken each period must be maintained.

K. Utilities (not included and identified in the lease or rental agreement)

Paid invoice(s) identifying physical location of service.

L. Telephone

Paid telephone and cell phone invoice(s), excluding the detail sheets of the phone statement.

M. Postage

Stamps

Pre-payment request form and receipt(s) for purchase of stamps and/or journal voucher and statements from central mail services. A log documenting direct usage is recommended and preferred.

Metered Postage

Prepayment request form for the postage meter replenishment and/or journal vouchers and statements from central mail service.

Outside Delivery Service

Paid invoice and detail page(s) identifying the cost being billed to the agreement holder's contract. [i.e., Federal Express (Fedex), United Parcel Service (UPS), etc.]

N. Advertising and Outreach

Advertising

Paid invoices for newspaper ad(s) with tear sheet, television or radio contract, containing all details such as dates, times, and script(s) attached.

Outreach

Expense claim with receipts. Reasons for reimbursement are to include details pertaining to each outreach, such as when, where, why, and how.

Note: All advertising must be pre-approved through the Project Administrator assigned to the contract.

O. Subscriptions/Professional Dues

Paid invoice(s) indicating delivery dates or period.

P. Audit Fees

Paid invoice(s). (Only allowable if the agreement holder is required to have an audit performed according to the OMB A-133 or its successor.)

Q. Consumable Supplies

Outside Vendor

Paid itemized invoice(s).

General Supply Department (GSA)

Supplies purchased through GSA need purchase request and/or signed shipping documents, whichever shows actual purchase price of items received.

Note: Consumable supplies are paper, pencils, pens, paperclips, etc.

R. Janitorial Service

Paid invoice(s) showing date(s) of service.

S. Tenant Improvements

Paid invoice(s) must be signed off by an architect, engineer, or designated contract administrator to verify the work billed for was completed. The vendor contracted to perform the work cannot sign off on his or her own work.

Note: All tenant improvements must be part of the pre-award negotiations and must be substantiated with a description of the modifications required and all bids received by the agreement holder and/or estimates. Current EDA Procurement Standards Policy and Procedures 18-01 must be followed. Before tenant improvement(s) may commence, the agreement holder must submit all final bids selected for consideration to EDA PD staff for review. State of California EDD approval may be required. Therefore, the agreement holder must have written approval from EDA prior to the final selection of vendor/contractor. An executed copy of the signed contract must be sent to EDA PD staff assigned to the agreement. The agreement must contain a detailed outline of the work to be completed and the payment schedule within the agreement.

T. Training Materials

Paid invoice(s) for materials used for training participants.

U. Youth Incentives

The Payment Request form with approved authorizing signature(s) indicating which funding stream dollars are to be applied against. Skills attainment

information indicating the date(s) participant attended. **Dollars will not be reimbursed for amounts paid higher than what is set forth in the Youth Incentive Policy and Procedures, number 19-09, June 18, 2003.**

V. Indirect Staff Costs

Indirect cost rates can be charged up to the maximum rate approved, but must be pre-approved by the agreement holder's assigned Project Administrator. The indirect cost letter from the authorizing authority must be maintained in the agreement holder's files at all times. If the approved rate changes at any point during the contracted period, the agreement holder must notify their assigned Project Administrator and submit a copy of the approval letter from the authorizing authority.

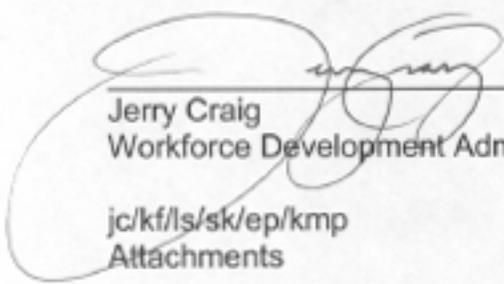
VI. Payment Processing

It is herein stated that scheduled processing time to issue payments is 45 calendar days from the date of receipt of a complete and accurate invoice form as reviewed and accepted by EDA PD unit, with such acceptance documented with a date stamp to reflect day of receipt.

VII. Cost Allocation Plan Grid

Agreement holders must provide a cost allocation plan grid prior to agreement execution. It must be maintained and updated to include any information regarding additional revenue or grants. Changes to the cost allocation plan grid must be communicated to the Project Administrator assigned to the contract upon receipt and no later than ten working days from date of change.

Please refer any questions or concerns regarding this Policy and Procedures to EDA Workforce Development's Program Development Manager.



Jerry Craig
Workforce Development Administrator

jc/kf/lr/sk/ep/kmp
Attachments