

**OFFICE OF FAMILY ASSISTANCE
OFFICE OF WORKFORCE DEVELOPMENT**

August 2, 2013

TO: Directors, Workforce Investment Boards
Workforce Investment Area Fiscal Agents

FROM: Michael McCreight, Assistant Director 
Ohio Department of Job & Family Services

John Weber, Deputy Director 
Office of Workforce Development

SUBJECT: Financial Reporting of Ohio Works Incentive Program Payments

The Ohio Works Incentive Program (OWIP) will provide performance-based grants to workforce investment boards (WIBs) that help TANF recipients find and keep jobs. The funding has been authorized as part of the recent state budget approval. More details on this project and an application to participate were provided in a memo dated May 14, 2013 from the Office of Family Assistance and Office of Workforce Development.

The purpose of this memo is to provide guidance to local areas on how to account for these funds to ensure compliance with federal requirements while maintaining the flexibility needed to utilize and expend the incentive funds.

Federal requirements at 45 CFR 92.20(a)(2) require financial accounting systems to “permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.” Also, compliance with OMB Circular A-133 requires grantees to identify federal funds as earned and expended on the federal A-133 schedule for audit purposes. OWIP will disburse funding to local areas for two distinct activities:

- Initial payment of up to \$150,000 per workforce system
- Incentives for each TANF participant placed into employment and/or retained beyond the specified retention time periods

Guidance on tracking the OWIP funds issued under both activities while remaining in compliance with the federal requirements is provided below:

Initial Payment

Initial payments will be advanced to the local area after ODJFS approval of the project plan, area subgrant agreement, and the local invoice listing the immediate cash needs. The funding will be disbursed to the area via Electronic Fund Transfer (EFT), will be considered reimbursable funds, and will retain federal TANF identity for A-133

reporting purposes. All expenditures funded with initial payment dollars must be allowable TANF costs.

This funding is being issued outside of the County Finance Information System, For accountability, counties must maintain detailed records of expenditures against this funding in their local accounting system, however, all receipts and expenditures will be coded as non-reimbursable in CFIS.

Local Areas will report the funding and these expenditures on their Schedule of Expenditures of Federal Awards at the end of the calendar year. All associated TANF-eligible costs must be reported prior to the end-date of the project on 6/30/2015.

The local area must retain records identifying the costs reimbursed with the initial payment of TANF funding paid under the project plan, as well as the participant employment records demonstrating incentives earned, for monitoring and auditing purposes.

Incentives

To receive incentives for TANF participant job placement and retention, the WIB will submit invoices for incentives earned and attached required documentation to support the invoice. ODJFS will issue payment for incentives by EFT. The cash paid to the WIB for incentives will be coded into CFIS using a specific non-reimbursable receipt code established by BCFTA. This transaction will show that the money was earned, but lost its federal identity at the workforce area level. The workforce area may then treat the funds as Non-Reimbursable funding and all expenditures for this funding will be coded as non-reimbursable. BCFTA will communicate the new non-reimbursable receipt code via BCFTA Update. Local Areas will report the receipt on their Schedule of Expenditures of Federal Awards at the end of the calendar year.

If you have questions about the program, please e-mail OWIP@jfs.ohio.gov . If you have questions regarding CFIS Web coding, contact your ODJFS Fiscal Supervisor.