

THE WORKFORCE BOARD OF NORTHERN COOK COUNTY

LOCAL AREA WIA Policy 2006 – Contractor Budget Policy

TO: ALL WIA CONTRACTORS

FROM: _____
Jennifer Stasch
Director of Administration

SUBJECT: Contractor Budget Policy

DATE: June 14, 2006 (Reviewed 1-3-07)

Purpose: The purpose of this letter is to update and clarify the policy and procedures for Budgets under The Workforce Board of Northern Cook County Workforce Investment Act (WIA) contracts.

References: OMB Circular A-110
7 CFR 3015.61(d)
29 CFR 97.20(b)(4)
45 CFR 92.20(b)(4)
WIA Legislation and Rules and Regulations
Department of Commerce and Economic Opportunity
Illinois Workforce Development System Tracking

Background: The Workforce Board of Northern Cook County is releasing Contractor Budget policy procedures in order to ensure accountability and compliance that align with the Contractor’s Agreement with the Workforce Board, DOL and DCEO policy, and other applicable rules and regulations.

Policy

Statement: Contractors are required to manage WIA funds allocated under this agreement. The Board obligates WIA funds for allowable costs incurred by the Contractor up to, but not to exceed, the agreed budget amount. Contractor may incur costs in conformity with the WIA up to the amount of this agreement. In no event shall the amount payable under this Agreement exceed the agreed budget amount.

Workforce Board Budget Policy

1. The Board obligates WIA funds for allowable costs incurred by the Contractor up to, but not to exceed, the agreed budget amount. Contractor may incur costs in conformity with the WIA up to the amount of this agreement. In no event shall the amount payable under this Agreement exceed the agreed budget amount.
2. A line item budget shall be submitted to the Board within the prescribed timeframes and in the prescribed formats to satisfy federal or state law, or contractual requirements.
3. The details must provide a complete understanding of the nature and amount of the budgeted items. A sample format for submitting the Board-approved operating budget and actual expenditures is provided in Attachment B of the contract.
4. Contractor will incur costs according to the detail line item for the specified time-frame. The Contractor does not have the authority to reallocate the Workforce Board approved budget items between operational funds and ITA reserved funds.
5. Written Board approval must be obtained prior to making budget changes or revisions that meet applicable thresholds.
6. **Budget Modification**. The amount or use of funds available for all costs shall be limited to that which is related to program operations as described in the approved budget with line items by fund stream. In no event shall the Contractor make any changes that increase or decreases the total budget without prior written approval of the Board.
 - a. A variation among individual line item costs not to exceed 15% is allowable and permitted without written modification. Any line item modification greater than the allowable 15% must have prior written approval from the Board. Such approval must be requested by letter with an explanation of the proposed modification, and mailed to the Board as set forth in the General Provisions - Notices section of this Agreement.
 - b. If the Board grants a budget revision, an Agreement Modification shall be issued by the Board incorporating a revised budget.
6. The Board may modify the budget or the agreement for the following reasons by giving a modification notice to the Contractor. The Contractor must respond within five (5) working days, and has no more than fifteen (15) days to renegotiate:
 - a. Failure of the Contractor to fulfill its obligations under the Agreement in a timely/proper manner;
 - b. Violation of the provisions of this Agreement;
 - c. Inability of the Board to fulfill the financial obligation herein;

- d. Failure to provide services to meet the required standards;
- e. Violation of any policies and procedures of the Board and/or DCEO; and,
- f. Inability of the Contractor to recruit and enroll participants as specified in this Agreement within ninety (90) days from the effective date of the Agreement.

7. Termination Due to Loss of Funding: Obligations of the Board will cease immediately without penalty of further payment being required if the Department of Labor (DOL) or the Illinois Department of Commerce and Economic Opportunity (DCEO) fails to appropriate, or otherwise make available, sufficient funds for this Agreement. This Agreement shall terminate in full, or in part, at the discretion of the Board, in the event that the Board suffers a loss of funding or termination of funding which permits it to fund, in full, the Contractor. In the event the Board suffers such a loss of funding in full or in part, the Board shall give the Contractor written notice which shall set forth the effective date of full or partial termination, or if a change in funding is required, setting forth the change in funding and the changes in the approved budget.

Action

Required: This information should be disseminated to Contractor and subcontractor finance and program employees.

Inquiries: Questions regarding any aspect of this policy should be directed to the Workforce Board's Director of Administration.

Effective

Date: Immediately

ATTACHMENT B

CONTRACT AMOUNT

Line Item Budget

Contractor will incur costs according to the detail line item below for the time-frame of _____. The Contractor does not have the authority to reallocate the Workforce Board approved budget items between operational funds and ITA reserved funds.

Cost Category	WIA Adult	WIA Dislocated Worker	WIA Youth In	WIA Youth Out	WIA 1S Grant	TAA	Other Grants	Totals
Allocation %*	30.75%	44.25%	4.0%	5.5%	15.25%			
Operations Budget								
Salaries & Wages								
Staff Benefits								
Staff Trvl/Cnfr/Trng								
Facilities Rent								
Facilities Utilities								
Facilities Telephone								
Facilities Insurance								
Office Supplies								
Dues & Subscription								
Services – Professional								
Services – Payroll								
Services – Bank Charges								
Outreach								
Other Expenses								
Individual Training Accounts								
Participant Wages								
Participant Incentives								
Other Direct Participant Costs								
Support Services								
TOTALS								

*Allocations to be adjusted based on quarterly allocation percentages.