DATE: APR 18, 2005

TO: LA's Workforce Development System

FROM: Manny Chavez, Acting Director
       Workforce Development Division

SUBJECT: DIRECTIVE NUMBER: 05-18
         FISCAL GUIDELINES FOR WORKSOURCE CENTERS, ONESOURCE NETWORKS, AND OTHER WIA CONTRACTORS

EFFECTIVE DATE:
This directive is effective upon date of issue.

PURPOSE:
Fiscal guidelines that are to be applied in the planning, management and reporting of WIA program budget and expenditures are provided herein, under the following subject categories:

I. INTRODUCTION (pg. 2)
II. PURPOSE OF THE BUDGET (pg. 2)
III. GENERAL COST PRINCIPLES (pg. 2)
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I. INTRODUCTION

Fiscal Administration is one of the most crucial parts of planning and managing the WorkSource Center and OneSource Network. Accounting is the part of that administrative system that records and summarizes actual business and financial transactions, and analyzes, verifies and reports the results. Budgeting is the planning part of fiscal administration that precedes the accounting function. Accuracy and adherence to all Federal, State and City laws and regulations in carrying out both budgeting and accounting duties will support the success and the future of your organization and avoid questioned or disallowed costs.

II. PURPOSE OF THE BUDGET

A budget is an expenditure plan created before anticipated transactions occur. The budget details planned activities and provides estimate costs for those activities. The budget is a forecast of future financial transactions. The purpose of the budget is to ensure the organization’s success by providing a framework within which management develops and implements plans necessary to finance the achievement of both long-term and short-term contract goals. Financial control is achieved by carefully monitoring the budget in comparison to actual expenditures during the term of the contract. The budget is the mechanism that enables financial managers to assess whether the organization is operated within planned parameters. Organizations that persistently fail to operate within their budget can eventually experience severe financial difficulty.

The WIA budget spending plan should be used to implement a realist plan for future cash needs and should not be the funding allocation divided by twelve months. When utilized appropriately, the spending plan can serve as a safeguard against prematurely exhausting the funding allocation prior to the end of the contract term. While some expenditures such as lease costs are usually fixed and can be allocated equally over twelve months, there are costs that should either be paid upfront or at a specific period of the program year. Other costs are estimated by looking at the history of actual expenditures by line item in past years, considering fluctuations in level of program activities, implementation of new initiatives, along with various other anticipated operational and funding changes such as reduced or increased funding, new policies and procedures, application of WIB priorities, and staff changes.

III. GENERAL COST PRINCIPLES

These principles are often summarized under the statement that all cost must be necessary, reasonable, allowable and allocable.

1. Cost must be NECESSARY and REASONABLE:

Any cost charged to the WIA grant must be necessary and reasonable for proper and efficient program performance and administration (OMB Circular A-122, A-87 or A-21). A grantee is required to exercise sound business practices and to comply with the appropriate OMB Circular for charging costs. A grantee is expected to exercise the same prudence with Federal funds that a reasonable individual would do so with their own personal funds.
2. **Cost must be ALLOCABLE:**

A grantee may charge costs to the grant if those costs are clearly identifiable as benefiting the WIA grant. Costs charged to the WIA grant should benefit only the WIA grant program, not other programs or non-approved activities. In order to be allocable, a cost must be treated consistently with like costs and incurred specifically for the program being operated. Shared costs must benefit the WIA grant and be distributed in reasonable proportion to the benefits received. They must also be necessary to the overall operation of the organization, even though the direct relationship to a final cost objective (WIA grant program) cannot be shown. If a grantee operates other programs in addition to the authorized WIA grant, allocation methods should be used to determine what share of costs should be charged to the WIA grant. A common cost issue often arises regarding salary and time charged to a grant for personnel compensation. A grantee may allocate to the WIA grant only the portion of time that a person spends supporting the implementation of allowable WIA grant activities. Center operations present other allocation issues that are addressed in Chapter I-3, *Proportionate Share and Cost Allocations* of the DOL One-Stop Comprehensive Financial Management TAG. Further, if the grantee or sub-grantee operates programs funded by more than one grant fund, costs must be allocated to each funding stream based on proper allocation methods. Finally, as with direct costs, allocated costs may not be shifted to other Federal awards.

3. **Costs must be ALLOWABLE.**

Costs must be authorized or not prohibited under Federal, State, or local law or regulations. To be allowable costs must:

- be reasonable for performance of the award;
- meet restrictions of all applicable laws and regulations;
- be determined in accordance with generally accepted accounting principles (GAAP);
- be consistent with all applicable policies and procedures;
- not be used for cost sharing or matching any other federally financed program; and
- be adequately documented.

**References:**

- OMB Circulars are incorporate by reference at 29 CFR 95.27 and 29CFR97.22 and are further specified in program regulations.
- Section 667.200.C6 of the WIA Regulations spells out allowable cost principles and clarifies their relationship to OMB circulars.
- OMB Circulars A-21, Cost Principles for Educational Institutions.
- OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments.
- OMB Circular A-122, Cost Principles for Non-Profit Organizations.
- Attorney General Handbook on Charities.
- 20CFR 667.264(a) Activities prohibited under WIA.
- FAR, 48 CFR, Chapter 1, Part 31 for commercial organizations (for-profit).
IV. COST ALLOCATION

Allocability is one of the basic cost principles discussed in Chapter II-3 Cost Principles of the DOL One-Stop Comprehensive Financial Management TAG. Allocability is a measure of the extent to which a cost benefits the WIA grant program in general and its cost objectives in particular. To the extent that a cost does not benefit the program, the cost cannot be charged to WIA.

Cost allocation is the determination of the proportionate share of costs that can be properly charged to any given grant and/or funding stream, as applicable for contractors receiving funding from: (1) more than one source; (2) more than one WIA program; (3) a single source, but for multiple funding sources/programs. As part of the response to the City’s annual Request for Contract Renewal (RFCR), contractors are required to disclose amounts of funding from all sources, including the percent of total funds allocated to the City’s WIA Adult, Dislocated Worker, or Youth program.

As part of the City’s budget approval process, contractors must submit the Cost Allocation Plan that will remain in effect throughout the duration of the contract term. Once the City issues the initial budget approval, no change to the approved method of cost allocation will be permitted during the remainder of the contract term. While the method of allocation must remain fixed, the rate of expenses allocated to WIA may change during the contract term, as funding from other sources increases or decreases.

In preparing the budget plan and accompanying cost allocation plan, contractors should review the DOL TAG cited below, in particular Chapter II-8 to ensure that all applicable federal grant requirements are met. This section of the TAG discusses three categories of costs (direct, shared and indirect) and also discusses the treatment of costs, the allocation of personnel costs, acceptable and unacceptable allocation bases, cost allocation plans, and work sampling/work measurement as methods of allocating costs.

While modification of the Cost Allocation Plan cannot be applied during the course of a contract term once the initial budget has been approved, contractors will find it necessary to modify the Plan over time. A typical reason for changing an allocation method may be that basis for allocating the costs is found to distort the results, or to result in an inequitable distribution of costs. The Plan may then be modified to ensure that the allocation of costs results in an equitable distribution of costs that reflects the level of efforts or benefits received by the various cost objectives.
1. **Cost Allocation Plan**

Cost allocation plans describe the ways in which costs will be charged to various grants and cost objectives. All costs incurred by the contractor should be distributed utilizing the methods outlined in its cost allocation plan. The plan must identify pooled costs to be shared among partners and define a basis of allocation that must be agreed upon, that is fair to benefiting programs, is measurable, consistent, and supported by ongoing data collection. Each partner must pay or offset its fair share of pooled costs in addition to paying its own direct costs. There cannot be deviation from existing Federal, State and City regulations. Costs that are prohibited by a funding source (Federal, State, or City) will not be paid or used as offsets under a pooled cost agreement. For example, if a partner’s funding source prohibits entertainment costs, the partner will not pay entertainment cost or use them as an offset under a pooled cost agreement.

Whenever possible, costs are to be directly charged to the benefiting grant and/or cost objective. Contributions to pooled costs are limited to costs incurred during the period of the agreement. All costs must be maintained in the fiscal system, through which all financial transactions are conducted and records maintained in accordance with Generally Accepted Accounting Principles (GAAP). Costs incurred may be classified as direct, indirect and shared costs. Any cost allocable to a particular grant or other cost objective will not be shifted to other federal grants to overcome funding deficiencies, avoid restrictions imposed by law or grant agreement, or for other reasons (20 CFR 627.435(c)).

A cost allocation plan outlines the methodologies that will be used to distribute different types of costs among the various partners and funding sources. The Plan must be consistent with the terms contained in existing Memoranda of Understanding (MOU) and/or Resource Sharing Agreements (RSA), with respect to description of services to be provided by each partner, resources that each partner is contributing to the operation of the center, and costs for which each partner will be responsible.

The cost allocation plan submitted to the City as part of the contractor’s budget packet should describe in a narrative format the process, formula and/or method of cost allocation that will be applied to each budgeted line item, once an actual expenses is incurred. The Plan should also:

- Use simplest and least costly method possible that will produce an equitable allocation of costs to cost categories and program based on a measure of relative benefit received;
- Make the organizational structure no more complicated than necessary to properly allocate costs to respective programs/funding streams;
- Make sure the process that is developed is replicable at any time;
- Consider the required structure and capabilities of the entity’s accounting system in designing an operable cost allocation process.
References:
- US DOL, Employment and Training Administration, One-Stop.

V. BUDGET DEVELOPMENT & MODIFICATION PROCESS

1. Initial Budget Development & Approval Process

   The following is a general outline of the initial budget development and approval process:
   a. Plan the budget for the program year based on the City’s instructions in the RFCR and as indicated in applicable Request for Proposals (RFP), Information Bulletins and/or Directives in effect.
   b. Prepare needed budget support documents, including the statement of financial assumptions [April, May, June].
   c. Submit budget packet for City review within the deadline established by the City [usually May or June].
   d. Provide additional information, as requested by City staff, and as needed to complete the budget review and approval process [May, June, July].

2. Budget Revision Process

   Budget adjustments that are applied retroactively will not be approved by WDD. Any potential budget modifications should therefore be discussed in advance with WDD Budget and Program Analyst. Contractors should consider the complexity of the intended modification and allow ample time for analysis and approval. The following set of guidelines should be applied in any considering revision(s) to the approved budget plan:
   a. Request approval in advance for equipment and computer purchases. Provide needed documentation in advance of purchase. No purchases of equipment and/or furniture will be permitted after the 2nd quarter, except in exceptional circumstances such as a move to a new facility.

       Reminder: For federally funded grant purchases, all furniture, equipment and computers must be received (delivered) prior to the end of the contract term (June 30th).

   b. If furniture or equipment exceeds $4,999 in unit costs, prior State approval for the purchase must be obtained by the City on behalf of the contractor [refer to City Directive # 05-13, Conformity with State Requirement for Obtaining Prior Approval for Certain Property Acquisitions].

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1 Refer to Section XII, Working Definitions of Key Terms, contained within this Directive for definition of Unit Cost of Acquisition.
c. Request approval or a modification to the budget only when intended changes exceed the permissible level provided for under the City's 10% flexibility rule (refer to Section VI. Invoicing Requirements of this Directive)

d. Unless otherwise directed in writing by the City, all budget revisions must be submitted no later than the 3rd quarter of the contract term, on or before March 31st. Any budget modifications submitted after the March 31st deadline may only be submitted in cases of unforeseeable circumstances, with approval of requested revisions subject to the discretion of City management. A contractor's failure to meet the March 31st deadline (or an alternate deadline designated in writing by the City) will adversely impact its administrative capability rating of the City's adopted Performance Evaluation process.

3. Required Budget and Support Documentation

At a minimum, all initial or revised budget packets will need to contain the following elements:

a. Completed or Revised Budget Plan Worksheets

   Please submit a complete budget plan that contains the following worksheets:

   - Budget Summary
   - Budget Detail
   - Schedule of Personnel
   - Spending Plan (for Adult Program)
   - Spending Plan (for Dislocated Worker Program)
   - Spending Plan (for Youth Program)

   For revised budget submissions, please ensure that changes made to individual line items are also reflected in the corresponding fields throughout the full set of budget worksheets.

b. Narrative explanations of Initial or Revised Budget Line Items

   Budget justification narratives are required for each line item contained within the proposed budget submitted at the onset of each contract term. In the case of budget revisions, narrative explanations are generally required when:

   - A line item is added, deleted, or changed by a significant amount
   - New staff positions are added or positions are removed
   - Increase in any of the budget cost category exceeds 10% (Refer to 10% flexibility rule (refer to Section VI of this Directive, Invoicing Requirements)
   - There is an adjustment in salaries

   In preparing the budget narrative, please provide all the information that a reviewer would need in order to understand the process used to arrive at each budgeted line item amount. At a minimum, the budget narrative should clearly and accurately:
(1) Identify the amount of change, as compared to the previously submitted budget plan reviewed by your assigned Budget Team Analyst; and

(2) Explain the rationale for each proposed budget line item revision that is significantly increased or reduced, (including previously scheduled line items that are not funded as part of the revised budget plan); also, include a brief description of the program impact anticipated to occur as a result of each revised budget line item; and

(3) Contain the formula used to calculate the revised budget line item; the formula should reconcile with the total amount budgeted for each revised line item; and

(4) Clearly indicate to what period of time the proposed change will apply.

c. Support Documentation

Support documentation will need to be submitted for each line item reflected within the initial budget plan worksheets, as applicable. In the case of budget revisions, it is not necessary to resubmit support documentation that is already on file with the City, provided that the document was submitted within the same contract term, or is of such a nature, that the document remains in effect. In such instances, please provide a descriptive reference to previously submitted support document within the budget narrative accompanying the revised budget.

Commencing in FY 05-06, executed subcontract agreements must be submitted to the City by the end of the 1st quarter, on or before September 30th. Failure on the part of the contractor to meet this deadline will adversely impact its administrative capability rating of the City’s adopted Performance Evaluation process. The City shall assume no liability for subcontract activities conducted prior to the execution of the subcontract agreement(s) at issue. Further, the City reserves the right to reprogram funds scheduled for individual subcontract awards away from the contractor upon its failure to submit a duly executed subcontract agreement by the September 30th deadline.

Applicable support documentation may include, but is not limited to the following:

(1) Personnel/Job descriptions;

(2) Summary of Personnel Salary Ranges;

(3) Executed Subcontract Agreement(s)-on or before September 30th;

(4) Facility Lease or Rent Agreement, including any facility lease-sharing Agreement with co-located partners;

(5) Organization Chart [for purposes of the revised budget packet, submission of these documents would typically be appropriate for new positions or for significant changes in job duties, Center organization, etc.];
(6) Justification Statement for Budgeted Line Items, including but not limited to:

(a) Equipment and furniture items,** planned for purchase, should be accompanied an explanation of intended use, along estimates of number, type, and projected unit cost, etc.

(b) Budgeted Travel expenses,** should be accompanied by statements indicating place of travel, purpose and participating staff (name & position title).

**Please be reminded that approval of the budget plan, as applies to these line items, does not constitute an approval to incur expenses. In all instances, proper procurement procedures must be followed, which may include obtaining prior written approval from the City for specific purchases or expenses.

VI. INVOICING & FINANCIAL REPORTING REQUIREMENTS

The standard WIA Agreement requires that Cash Requests and Expenditures Reports be submitted on or before the 15th day of the month following the month the costs were incurred, in order to be considered timely. Contractors on cash advance basis, however, may submit the Cash Request before the 15th of each month. Meeting the monthly submission deadline is needed so that the City may in turn meet the State’s reporting deadlines.

In order to avoid the potential for disallowed costs, the Expenditure Report should reflect only those expenses allowable and allocable to the WIA program. Federal regulations also require that expenditures reported be on an accrual basis and must therefore include both cash and accrued expenditures. Personnel salaries may be accrued until the end of the pay period for which reimbursement is requested. In addition, the facility cost charged to the monthly expenditure report should reflect the total facility lease less any payments received from subtenants or co-located partners, The City may only be billed for the portion of rent allocable to its WIA program. Centers are responsible for collection of the fair lease share owed by subtenants/co-located partners, including any owed by the State Employment Development Department (EDD).

1. Guidelines for Submission of Expenditure Report Attachments

   The monthly Expenditure Reports must be accompanied by the following schedules:

   a. Schedule of Personnel Costs,

   b. Attachment (for required expenditure breakdowns and other reportable information),

   c. Schedule of Leveraged Resources:

       As established by WIA City Directive No. 05-08, WorkSource Centers are required to submit a monthly report of leveraged resources** provided by non-WIA sources, as part of the regular monthly expenditure reporting.

2 Refer to Section XII, Working Definitions of Key Terms, within this Directive for definition of Leveraged Resource.
Contractors are asked to submit their monthly cash requests or expenditure reports, as follows:

a. the original to the CDD’s Financial Management Division (FMD); and
b. a copy to the Workforce Development Division (attn: Fred Vocal; 6th floor).

2. City's 10% Flexibility Rule:

a. General Provisions of 10% Flexibility Rule

The Community Development Department implemented the 10% flexibility rule to provide contractors with the privilege of some flexibility and discretion in budget administration. As a result, certain expenditure items may exceed the budget amount of the line item without the need for a budget modification. The major guidelines to be followed in applying the 10% flexibility rule are as follows:

- Total expenditures in the major cost category (for example, Cost Category 1000, Cost Category 2000, etc.) do not exceed 110% of the latest approved budget for that cost category; and
- Total cumulative expenditures for ALL cost categories is equal to or less than the contract budget.

b. Items Exempt from General Provision of 10% Flexibility Rule:

Prior written approval for the following budgetary items must be obtained from the City, regardless of whether the intended budget adjustment(s) conforms to the provisions of the 10% flex rule:

- Equipment purchase or lease
- Consultants/Professional Service contracts
- Subcontractors (addition, deletion or change in individual subcontractor’s approved budget amount)
- Initial facility lease and any amendment to facility lease
- Cost of living increases
- New position classifications not included in the latest approved budget
- Addition of new positions within an existing position classification
- Any item of furniture or equipment purchase that exceeds $4,999 in unit cost, as these items require prior approval from the State [refer to City Directive # 05-13, Conformity with State Requirement for Obtaining Prior Approval for Certain Property Acquisitions] in addition to City approval.
- Any reprogramming of unexpended funds that are accumulated from unfilled positions and participant related costs
• Any reprogramming of unexpended funds that occurs at the end of the year, shall not be approved for expenditure but shall be rolled over for allocation in the following program year.

3. Closeout Invoice

The contractor is required to submit a complete and accurate final closeout report, together with forms provided by the City, within 21 calendar days following the expiration of the contract term, unless an earlier deadline is imposed by the Financial Management Division of the Community Development Department. The final closeout report should include accruals of allowable expenditures along with the remittance for all unearned grant funds identified in the closeout report. Final request to modify the Budget/Expenditure/Customer Service Plans must be submitted to the Workforce Development Division of the Community Development Department for approval by the established deadline for said modifications.³

In the event that a contractor does not submit a final closeout or other required documentation within the prescribed time frame, the City reserves the right to unilaterally closeout the Agreement and use the last Expenditure report then on file with the City for determination of a contractor’s final allowable expenditures. The City will not reimburse a contractor for expenditures reported after the specified closeout deadline. The City will provide the closeout forms to the contractor at least thirty (30) days before the expiration of the contract term.

4. Single Audit Requirement ⁴

Any contractor that expends $500,000 or more in Federal funds must conduct or have conducted on an annual basis, audits in accordance with the Single Audit Act of 1984, PL 85-502, implementing regulations in OMB Circulars A-133 as applicable, (City Council action dated February 4, 1987 CF No 84-2259-S1) and administrative regulations or field memos implementing revisions of updates to the audit requirements.

For contractors operating on a for-profit basis, the contractor is required to conduct a program-specific annual financial and compliance audit in accordance with generally accepted government auditing standards or an organization-wide audit that includes coverage of the WIA program within its scope.

The contractor shall submit two copies of the report to the Audit section of the Community Development Department, within thirty (30) days following receipt of the final audit report, or nine (9) months after the close of the contractor’s fiscal year, whichever occurs first.

³ Refer to Section V, Subpart 2.d. (pg. 7) of this Directive.
⁴ For full statement of Single Audit requirements, WorkSource and OneSource Network contractors should refer to Section 609: Audits and Inspections, of the City’s WIA contract agreement.
The City reserves the right to impose sanctions upon any contractor that fails to comply with the Single Audit Act and the provision, and as fully specified in Section 609 of the City's WIA contract agreement. The contractor may also be required to prepare and submit a corrective action plan to address any deficiencies with internal controls or contract compliance that are identified in the Single Audit (or equivalency) report.

5. **Additional Guidelines**

In reporting program expenditures, please adhere to the following guidelines:

a. Spending in each line item should not consistently exceed 10%. Routinely, during the contract term, expenditures and types of budget adjustments will be reviewed for appropriateness by members of the City's monitoring team.

b. Contractors should have a system in place to enable the tracking and reporting of WIA obligations and expenditures classified as either "administrative" or "program." Furthermore, program expenditures must also be broken down into the following classification:

   (1) Core Self Services
   (2) Core Registration Services
   (3) Intensive Services
   (4) Training Services
      (a) Tuition/Training Payments
      (b) Other Training services
   (5) Others

c. Cash requested should be net of any cash on hand from program and/or interest income earned.

**References:**

- WIA Directive No. 02-33 Cash Request and Expenditure Report
- WIA Directive No. 05-10: New Monthly Reporting Requirement: Training & Supportive Services Provided by Non-WIA Sources
- WIA Directive No. 05-12, Monthly Financial Reporting
- WIA Directive No. 05-16, Training Services Expenditure Breakdown
- City of Los Angeles, Workforce Investment Act contracts
VII. PERSONNEL & COMPENSATION ISSUES

All compensation adjustments are regulated by the City of Los Angeles Workforce Investment Area (WIA) in accordance with applicable subsections of the WIA Final Rules and Regulations, applicable OMB Circulars and City of Los Angeles policies relating to compensation adjustments. These regulations and policies should be incorporated into the contractor’s personnel policies and procedures when there is a fiscal or administrative impact on the City’s WIA grant funds.

The contractor’s personnel policies and procedures that have fiscal or administrative impact on City WIA grant funds must be reviewed and accepted by the Workforce Development Division (WDD) prior to budget approval. Any revision to the contractor’s personnel policies and procedures during the contract term must be approved by the contractor’s Board of Directors, and subsequently submitted to and accepted by the City.

All proposed compensation adjustments for the contract term must be included in the budget packet submitted to the City prior to or at the onset of the contract term, in accordance with the procedure specified in the annual Request for Contract Renewal (RFCR), City Directives, and/or other applicable City-issued guidelines.

**Effective July 1, 2005 and thereafter, bonus and incentive payment may not be charged to the City’s WIA grant program.** All other compensation adjustments must be necessary, reasonable and directly allocable to the WIA program and comparable with the same or similar position(s) within the same or similar industry or occupation. With the exception of merit/salary increases, all compensation adjustment must be approved by the contractor’s Board of Directors. A copy of the minutes reflecting Board approval must be provided to the City at least one month prior to the effective date of the compensation adjustment. WDD/CDD will not approve after-the-fact requests for compensation adjustments.

Allowable compensation adjustments are further described below:

1. **Cost of Living Adjustment (COLA)**

   The COLA is an allowable salary adjustment. However, in cases where the increase has the potential to result in an administrative and/or fiscal impact to the WIA grant, City approval must be attained prior to the intended salary adjustment.

2. **Merit Increase/Salary Increase**

   A salary increase may be granted to an employee who has attained more than satisfactory performance. The policies and procedures for salary increases must be outlined in the written Personnel Policies. The basis for any salary increase must be maintained in the personnel file of each staff person for whom an increase has been proposed. A salary increase must conform to the contractor’s salary plan approved and on file with the City for the program and contract term in question.
3. **Collective Bargaining Agreement**

Salary increases which occur during the contract period in connection with negotiated collective bargaining agreements are allowable upon submission of substantiating documentation to the contractor's assigned WDD Program and Budget Analysts. The contractor must provide a copy of the collective agreement and/or Memoranda of Understanding (MOU) to WDD along with the revised expenditure plan documents at the time the salary increase is requested.

4. **Reclassification/Upgrade of Staff Positions**

A reclassification/upgrade of staff position may be proposed for an existing staff position provided the contractor submits a justification that there will be a significant augmentation in the duties and responsibilities of the position. The contractor must clearly document the substantial increase in job duties and responsibilities increased level of supervision of program staff and/or increased level of responsibility for the implementation, operation, and administration of the City grant which is commensurate with the proposed salary.

5. **Fringe Benefits**

The contractor may request approval from WDD to revise its fringe benefits rate for staff as a part of its compensation package. Any request must include a complete, detailed breakdown of the proposed fringe benefits and justification for the change. The revised fringe benefit rate may be indicated for specific staff positions due to an existing collective bargaining agreement.

6. **Staff of Temporary Agencies-Professional Staffing Agreements**

A contractor planning to use temporary staff must submit: (1) written justification, (2) evidence of approval of the Board of Directors where appropriate, and (3) a copy of the proposed subcontract agreement with the temporary staffing agency to WDD prior to the execution of such a subcontract agreement. Employees of professional staffing agencies (commonly referred to as "temps") who work at WIA funded agencies are bound by the Personnel Practices and Salary Policies of the temporary staffing agency. The contractor cannot charge fringe benefits (or withhold payroll taxes) for temporary employees. Compensation adjustments for these employees are determined by the staffing agency, then are negotiated with the contractor and require prior approval from WDD. The subcontract agreement with the temporary agency must outline the supervisory and disciplinary responsibilities of the Center. The contractor is advised that all costs associated with compensation of temporary staff should be clearly identified and reported on the WIA budget plan, expenditure report, and cash request form under "Cost Category 2000: Other Costs."
7. Allocation of Compensation Costs

Staff positions that are funded through multiple funding sources must be cost allocated in accordance with the benefits received. The total amount of time charged to all funding sources must not exceed 100% for each staff position. The method of allocation must be specified within the contractor’s RFP response or annual submission to the Request for Contract Renewal (RFCR), and must not be modified during the program year. As funding allocations change, costs may change during the program year; however, the allocation method may not change.

References:
- OMB Circular A-122 (for non-profit organizations)
- OMB Circular A-87 (for governmental organizations)
- OMB Circular A-21 (for educational organizations)
- Title 48 CFR, Chapter 1, Part 31 (for profit organizations)

VIII. PLANNING & MANAGING EXPENDITURES

In an effort to assist contractors in planning and managing WIA program expenditures, the following guidelines are provided:

- Create your spending plan based on past expenditures and projected activities, soliciting input from all sectors of your organization, including operational units.

- Budget for bonus/incentive payments and salary increases at the beginning of the contract year. Make sure they are part of your Board-approved personnel policy.

- In awarding bonuses/incentive pay, adhere to the approved personnel policy submitted to the City at the time of the initial budget review and approval process for the contract term.

- As part of your monthly budget control process, review expenditures against the budget plan, noting any deviations that may require a budget modification.

- Undertake appropriate action within your organization to achieve spending adjustments necessary to avoid exceeding the approved budget.

- Review comments from FMD regarding monthly invoices or other identified fiscal issues, taking prompt action to resolve them.

- Review expenditures for conformity with the provisions of the 10% flexibility rule.

- Consistently apply the approved cost allocation method throughout the duration of the contract term.
- Budget and expend funds in compliance with any mandated set-aside requirement(s), as applicable for a particular contract term (For FY 04-05, 12% set-aside requirement participant-related expenses applies to WorkSource Centers).

- Purchase equipment, furniture and computers no later than the 3rd quarter of the contract term, except in cases of unforeseeable circumstances, which will be subject to City review and approval.

- Submit requests for budget modifications timely and before the end of the 3rd quarter of the program year (Final budget modification due on or before March 31st, unless otherwise indicated in writing by the City).

- Obtain prior approval to use program income (including interest income).

- Obtain prior approval for all equipment and furniture purchases over $4,999. The State must give prior approval for such purchases and the City must make the request for approval by the State [refer to City Directive # 05-13].

- If an unforeseeable need to purchase furniture or equipment occurs, obtain written City approval in advance of the purchase whenever such purchases are contemplated during the contract term.

- Ensure that all goods and services have been received prior to the end of the contract term, and prior to including the applicable cost in the closeout invoice. Documentation that adequately establishes the date of receipt should be maintained on file for all purchases.

- Return all unexpended funds to the City, including program and interest income.

**IX. IMPACT OF BUDGETARY PRACTICES ON PERFORMANCE EVALUATION**

Your organizations ability to budget accurately and submit invoices and other fiscal documents timely is rated in the area of administrative capability of the City’s adopted Performance Evaluation process.

Unexpected year-end expenditures on the part of contractors impede the City’s efforts to forecast carry-in projections needed to develop the following year’s budget through the Annual Plan process and may not be approved.

The contractor should be aware that gross mismanagement of its WIA budget has the potential to result in probation and/or termination of its contract.
X. PROCUREMENT

1. Definition of Small Purchase

The State Employment Development Department (EDD) has revised the Workforce Investment Act (WIA) small purchase procurement procedures (Directive Number WIA D00-2, dated August 24, 2000). Whereas the small purchase limit was previously $25,000, the State’s revised definition provides that “small purchases are made from vendors for goods or services under $50,000.”

In accordance with policy requirements, the following is a list of acceptable documentation for procurement of small purchases given the unit cost of acquisition.5

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<thead>
<tr>
<th>UNIT COST OF ACQUISITION</th>
<th>ACCEPTABLE DOCUMENTATION</th>
</tr>
</thead>
</table>
| $0 - $10,000             | **One (1) documented quote:**  
                             - Sales Receipt  
                             - Current price lists  
                             - Current product/service catalog  
                             - Store advertisements  
                             - Telephone contact with vendor to obtain a quote, with a memorandum that reflects the oral quotation from vendor, which is signed by a staff person of the contractor and is maintained on file. |
| $10,000 - $25,000        | **Two (2) telephone quotes:**  
                             - Current price lists  
                             - Current product or service catalog  
                             - Store advertisements  
                             - Telephone contact with the vendor to obtain a quote (a memorandum which reflects the oral quotation from vendor and signed by a staff person of contractor shall be kept on file) |
| $25,000 - $50,000        | **Three (3) written quotes:**  
                             - Written and signed quotation from the vendor |

2. Sole Source (Non-Competitive) Procurement

This method is the solicitation of a proposal from a single source, or, after solicitation of a number (more than one) of sources, competition is determined inadequate to fulfill the requirements of the funding agency. Sole source procurement may occur only when the following set of conditions are satisfied:

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5 Refer to Section XII, Working Definitions of Key Terms, contained within this Directive for definition of Unit Cost of Acquisition.
a. The award is not feasible under the procurement methods discussed above; and

b. One or more of the following conditions apply:

(1) The item is available from only one source
(2) Public emergency precludes delay
(3) The awarding agency authorizes the specific non-competitive procurement
   (upon a formal request for approval).
(4) Competition is determined inadequate. This usually occurs after a competitive
   process has been used and there are insufficient bidders.

c. For all non-competitive procurement actions, a cost analysis is required.

d. Sub-grantees may be required to submit the non-competitive procurement to their
   awarding agency (i.e. the State, the Local WIB or the direct DOL grantee) for review
   or approval.

e. Non-competitive procurements are allowed under 29 CFR 97.36, but they are
   considered a last resort option and used only when there is a documented reason
   for sole source selection. Care should be exercised when using non-competitive
   procurements.

Notice of policy changes in procurement values and/or required documentation will be
transmitted by City Directive, as needed to clarify said changes.

References:

- 29 CFR 97.36
- US DOL One-Stop Comprehensive Financial Management Technical Assistance Guide,
  Chapter II-10
- City of Los Angeles, WIA Contract
- State Directive No. WIAD00-2 (August 24, 2000)

XII. WORKING DEFINITIONS OF KEY TERMS

To obtain full and complete definitions of key fiscal terms as they relate to the WIA
program, contractors should refer to the source documents referenced throughout this
Directive, and as further listed in the WIA contract agreement. The following working
definitions are provided for convenient referencing purposes only, and should therefore not
be considered as full or complete:

- Leveraged Resource
- Unit Costs (of Equipment) at Acquisition
- Direct and Indirect Costs
- Administrative & Program Costs
- Bonus/Incentive Payments
1. **Leveraged Resource:**

Leveraged Resource is an amount of money or in-kind service that is closely associated with the provision of a direct service to WIA clients, and is provided by a partner entity, whether through formal agreement or not, with non-City WIA resources. These services include but are not limited to trainings, supportive services and other appropriate participant services. Any leveraged resource reported to the City as part of the monthly invoice process, as required by Directive # 05-08, should meet the following conditions:

- Services provided with leveraged resources should be consistent with the general WIA program objectives and should in some degree be related to the identified barriers or planned set of services documented in the IEP (or ISS) on file for each respective program client.

- The value assigned to leverage resources should be verifiable by documentation maintained at the Center site, either in individual client files or in a general file maintained for this purpose.

2. **Unit Cost of Acquisition:**

The per unit cost of acquisition includes the net invoice unit price of an item of equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation shall be included in or excluded from acquisition cost in accordance with acceptable business and accounting practices.

**Example:** The per unit cost of acquisition for a computer includes, but may not be limited to the cost of the following components:

- Central Processing Unit (CPU);
- Monitor and mouse;
- Program software and licensing (share assignable for unit);
- Additional hardware, etc.

3. **Direct and Indirect Costs:**

a. **Indirect Costs**

These costs incurred for a common or joint purpose benefiting more than one cost objective and usually more than one grant, and not readily assignable to the cost objective benefited, without efforts disproportionate to the results achieved. These costs may be classified as Administration costs, Program costs, or any combination thereof, depending on the types of costs included in the pool.
b. **Direct Costs**

A direct cost can be traced to a particular cost category and grant since it was incurred solely for the benefit of a particular grant. There are two types of direct costs, assignable and shared direct.

- **Assignable Direct Costs**: represent direct cost which can be specifically identified with a particular final cost objective, i.e., a title, program activity, and cost category. These costs may be charged directly to grants, contracts, or other programs. (A cost may not be assigned to an award as a direct cost if any other cost incurred for the same purpose, in like circumstances, has been allocated to an award as an indirect costs.)

- **Shared Direct Costs**: The allocation method used in distributing unassignable direct costs shall be based on a reasonable measurement of benefits received by each cost objective. These costs must be assigned/allocated to grants based on the methods outlined in this Plan, using a reasonable and equitable distribution base. However, the effort required to distribute the cost should be proportionate to the dollar amount of costs charged.

4. **Administrative & Program Costs**

In accordance with City Directive # 05-03, OneSource Network contractors are required to reflect administrative and program cost as part of the monthly invoices submitted to the City. WorkSource Center contractors are required to reflect these cost as part of the budget plans submitted to the City, as well as the monthly invoice reports, while adhering to a 4% limit on total administrative cost.

a. **Program Costs:**

All costs not expressly identified as administrative costs, are program costs.

Continuous improvement activities may be charged to administration or program category based on the purpose or nature of the activity to be improved. The contractor must maintain documentation supporting the appropriateness of assigning these charges to the respective cost classifications.
b. **Administrative Costs**

The following definition of Administrative Costs applies to all WIA contractors and subrecipients.

1. The costs of administration are that allocable portion of necessary, reasonable and allowable cost that are associated with those specific functions identified below, but which are not related to the direct provision of services to participants and employers. Such costs can be both personnel and non-personnel in nature, and both direct and/or indirect.

2. The costs of administration are the costs associated with performing the following functions:

   (a) Performing the following overall general administrative functions and coordination of those functions:

   i. Accounting, budgeting, financial and cash management functions;
   ii. Procurement and purchasing functions;
   iii. Property management functions;
   iv. Personnel management functions;
   v. Payroll functions;
   vi. Coordinating the resolution of findings arising from audits, reviews, investigations and incident reports;
   vii. Audit functions;
   viii. General legal services functions; and
   ix. Developing systems and procedures, including information systems, required for these administrative functions.

   (b) Performing oversight and monitoring responsibility related to administrative functions.

   (c) Costs of goods and services required for administrative function of the program, including goods and services such as rental or purchase of equipment, utilities, office supplies postage, and rental and maintenance of office space.

   (d) Travel costs incurred for official business in carrying out administrative activities or the overall management of the system.

   (e) Costs of information systems related to administrative functions (for example, personnel, procurement, purchasing, property management, accounting and payroll systems) including the purchase, systems development and operating costs of such systems.
3. The costs associated with the following functions must also be reported as administrative costs:

(a) Awards to subrecipients of vendors that are solely for the performance of administrative functions are classified as administrative costs.

(b) Personnel and related non-personnel costs for staff who perform both administrative functions and programmatic services or activities must be allocated as administrative or program costs to the benefiting cost objectives/categories based on documented distributions of actual time worked or other equitable cost allocation methods.

(c) Specific costs charged to an overhead or indirect cost pool that can be identified directly as a program cost are to be charged as a program cost. Documentation of such charges must be maintained.

(d) Except as otherwise provided, all costs incurred for functions and activities of subrecipients and vendors are program costs.

(e) Costs of the following information systems including the purchase, system development and operating (e.g. data entry) costs are charged to the program category.

   i. Tracking or monitoring of participant and performance information;
   ii. Employment statistics information, including job listing information, job skills information, and demand occupation information;
   iii. Performance and program cost information on eligible providers of training services, youth activities, and appropriate education activities;
   iv. Information relating to supportive services and unemployment insurance claims for program participants.

5. Bonus and Incentive Payments

Bonus/incentive payments are one-time (usually at the end of the budget period) awards to staff for excellent performance based on personal services rendered and for which an approved and duly executed agreement/policy establishing the award existed prior to the performance of the service. The agreement or policy establishing the award must be presented as part of the personnel policy submitted to the awarding authority at the onset of the contract term, and/or immediately following the addition of funds to the existing contract agreement. The amount scheduled for the bonus/incentive pay must be clearly included as a line item under the designated cost category of the budget plan submitted to and approved by the awarding entity at the onset of the contract term. Effective July 1, 2005 and thereafter, bonus/incentive payments are not chargeable to the City’s WIA grant program.

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6 Bonus/Incentive payments are not chargeable to the City’s WIA grant program effective July 1, 2005.
XI. ELECTRONIC ACCESS TO CITY DIRECTIVES & INFO-BULLETINS

This Directive provides basic guidelines on the various financial and reporting topics contained herein, and does not purport to be full and comprehensive in and of itself. To obtain full and complete regulatory requirements of the City's WIA grant program, WorkSource and OneSource Network contractors are advised to reference the source documents cited throughout this document, with a more complete listing provided in the City's WIA contract agreement.

Contractors are reminded that City-issued Information Bulletins and Directives may be electronically accessed for Fiscal Years 2000-2001 to the present, in either of the following manners:

- directly at the website address: www.cityofla/cdd/directives/index.htm
- from the Community Development Department's main website address at www.cityofla.org/cdd, by selecting the "WIA Information Bulletins and Directives" link found on the bottom left margin of the page.

The following is a partial listing of WIA fiscal Directives issued by the City, which may be accessed as indicated above:

<table>
<thead>
<tr>
<th>Directive Number</th>
<th>Date of Issuance</th>
<th>Directive Subject Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>05-01</td>
<td>8/11/04</td>
<td>Guidelines for WorkSource Center and Youth Budget/Expenditure Plans: Reporting facility costs, schedule of personnel, &amp; stand-in costs.</td>
</tr>
<tr>
<td>05-03</td>
<td>9/9/04</td>
<td>Guidelines for Budgeting and Monthly Reporting of Youth Opportunity System Administrative Costs</td>
</tr>
<tr>
<td>05-08</td>
<td>12/02/04</td>
<td>New Monthly Fiscal Reporting Requirement: Training and Supportive Services Provided by Non-WIA funds (Leverage Resource Reporting Instructions &amp; downloadable form)</td>
</tr>
<tr>
<td>05-12</td>
<td>1/07/05</td>
<td>Monthly Financial Reporting</td>
</tr>
<tr>
<td>05-13</td>
<td>1/7/05</td>
<td>Conformity with State Requirements for Obtaining Prior Approval of Certain Property Acquisitions Charged to Workforce Investment (WIA) Grant</td>
</tr>
<tr>
<td>05-14</td>
<td>1/11/05</td>
<td>Allowable Costs</td>
</tr>
<tr>
<td>05-16</td>
<td>2/28/05</td>
<td>Training Services Expenditure Breakdown (includes downloadable forms: Expenditure Report; Cash Request)</td>
</tr>
<tr>
<td>01-02</td>
<td>7/13/00</td>
<td>Allowable Costs</td>
</tr>
<tr>
<td>01-06</td>
<td>7/13/00</td>
<td>Depreciation/Use Allowance for Buildings, Capital Improvements &amp; Equipment</td>
</tr>
<tr>
<td>01-07</td>
<td>7/13/00</td>
<td>Indirect Costs</td>
</tr>
<tr>
<td>01-10</td>
<td>7/13/00</td>
<td>Profit Determination Policy</td>
</tr>
</tbody>
</table>

MC:SC:FV:BCH
Date: June 11, 2007

To: LA'S Workforce Development System

From: Manny Chavez, Director
Workforce Development Division

Subject: WIA DIRECTIVE NO. 07-16
WIA PROPERTY MANAGEMENT REQUIREMENTS

EFFECTIVE DATE:

This directive is effective upon date of issue.

PURPOSE

The purpose of this directive is to provide guidelines for the management, control, transfer, and safeguarding of property purchased with Workforce Investment Act (WIA) funds by the Los Angeles Community Development Department (CDD) and its contractors.

REFERENCE:

This directive shall be consistent with EDD WIA Directive WIA D03-9 issued on March 25, 2004 and the City’s WIA Directive No. 05-13 issued on January 7, 2005 including any future amendments thereto. This directive shall comply with OMB Circular A-110 (Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations).

DEFINITIONS

Acquisition Cost – The net invoice unit price, less discounts, of an item of tangible personal property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired. It shall include shipping and handling charges such as sales, use or transportation taxes, and installation costs.

Electronic Property – All tangible personal property other than equipment defined in this section. This shall include but not be limited to facsimile machines, copiers, personal
computers, CPU’s terminals etc. consistent with City of Los Angeles standards. Purchase is only allowable when such computer technology is “Year 2000 compliant” (Title 20 CFR 667.22c).

Equipment – Tangible, non-expendable personal property having a useful life of more than 1 year and an acquisition cost of $1,000 or more per unit including all costs related to the property’s final intended use. This shall include furniture that is tangible and/or removable property.

Intellectual Property (Intangible Property) – Recognized protectable rights and interests such as patents, copyrights, trademarks, service marks, etc.

Property – Durable goods, equipment, buildings, installations, and land.

Contractors – Refers to all City Workforce Development System providers as subrecipients of WIA federal funds.

Title – The ownership right to an item of property.

RESPONSIBILITIES

CDD and contractors must comply with the DOL Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit and Commercial Organizations, Title 29 CFR Part 95, and the Administrative Requirements for Grants and Agreements with State and Local Governments, Title 29 CFR Part 97, regarding administrative functions associated with the acquisition, maintenance, disposition and/or retirement of WIA non-expendable personal property.

1. **Responsibility of CDD:** CDD has the responsibility to ensure the proper acquisition, use, safeguard and disposition of all property acquired in whole or in part with WIA funds. This also applies to property purchased with program income.

2. **Responsibility of Contractor:** Any contractor receiving, acquiring, or possessing non-expendable property purchased with WIA funds shall designate a member of its staff as contact for property matters. This delegation of duty is for purpose of identifying a specific task and not the responsibility. The Director of the WorkSource Center or OneSource Center will be held fully responsible for its own property management.

It is the responsibility of the contractor to notify CDD of all non-expendable personal property purchased with a useful life of one year or more. A copy of the sales invoice identifying the purchase of any such item shall be submitted with the regular WIA monthly invoice, including items for which prior CDD approval is not required.
TITLE

Title to property and supplies purchased with WIA funds is vested in the City Department that approved the requisition (CDD).

Title to all useable and accountable Job Training Partnership Act property transferred to the WIA is held by CDD in accordance with 29 CFR 97.32 of the Department of Labor Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

The use of more than one funding source could result in problems regarding title therefore; property purchased should be obtained using only one funding source (consider WIA as a single funding source). However, leveraging non-WIA funds to purchase the property is encouraged and allowed but title shall be maintained under the City’s sole property.

USE

Property purchased with WIA funds will be used for allowable activities under the terms of the contract, grant or other agreement. The WIA regulations at 20 CFR 667.200(a)(8) allow for the use of grant purchased equipment for non-federal activities with the condition that such use will not interfere with services provided to WIA clients.

In those instances where equipment is used for such purposes, a use fee will be charged and the proceeds from this activity will be treated as program income. A written approval from the City shall be obtained before such use shall commence.

WIA equipment no longer being used by a contractor for WIA programs or WIA clients will be made available to those contractors currently serving WIA clients that show a need for the equipment. Arrangement for such transfer shall be borne by the receiving contractors. Prior written approval shall be obtained from the City for such use.

INVENTORY CONTROL

Contractors must maintain an inventory control of all equipment and property purchased with WIA funds.

1. **Tags:** All property with a unit acquisition cost of $1,000 or more will be tagged and inventoried. All property with a unit acquisition cost of $999 or less will be the responsibility of the contractor for safekeeping and proper utilization in support of WIA program and activities.

   Upon acquisition, City contractor will provide the CDD monitor a copy of the invoice for purchased property with a unit acquisition cost of $1,000.00 or more. At the conclusion of procurement, contractor will immediately place all required property record information on its WIA Equipment Inventory form. When
completed, the contractor will notify the CDD monitor who will make arrangements for a property tag to be physically affixed on the item. Identification by number is considered the most appropriate and uniform method of accounting for equipment.

If the pre-numbered tag will not adhere to the equipment due to size, shape, condition, composition of the equipment, or any other reason, City staff will affix the "number" by any means deemed appropriate without causing damage to the equipment. The main concern is that this number be applied to all equipment.

2. **Untagged Equipment** – Lost Tags: If a property tag comes off, it will be immediately reattached to the item by whatever means is most appropriate. If a tag becomes lost or is destroyed, the contractor will notify CDD monitor of the number, together with a description of the item to which it was affixed and a new tag will be assigned as indicated in the foregoing procedure.

CDD maintains numerical inventory of all assigned property numbers. This inventory will be helpful in identifying any item of equipment where the number has been lost.

3. **Transfer of Equipment:** The transfer or removal of any accountable equipment from the contractor’s assigned inventory is absolutely prohibited unless it is approved by CDD and a material transfer document is prepared. This applies to the following transfers:

a) Transfer of equipment from one inventory location to another location even though it may be in the same contractor’s jurisdiction.

b) Transfer of equipment to CDD (this does not include transfer of damaged equipment or items of no further value or use to the contractor). If property is of no use, contact CDD monitor for City Salvage Procedures. If property is damaged or have no further value, see Damaged Property Section number 5 below.

City contractor will be responsible for arranging movement and/or transportation of equipment to and from approved locations.

4. **Lost or Stolen Property:** CDD and City contractors must ensure adequate safeguards to City property to prevent loss, damage, or theft of such property. City contractor has the responsibility to act promptly and adequately in event an item of City property with a unit acquisition cost of $1,000 or more is lost, vandalized, or stolen. City contractor will notify the law enforcement agency (police, sheriff) having jurisdiction in the geographical area where the WorkSource Center/OneSource Center is located. City contractor will document the circumstances surrounding the loss or vandalism including police reports and shall submit to CDD monitor within 5 days of occurrence.
5. **Damaged Property:** If an item of property is damaged while being used in the normal performance of a contract, contractor will have it repaired using contract funds. In the event that an item is damaged beyond economical repair and deemed unserviceable, i.e., costing more than 65% of the purchase/replacement price, contractor shall inform the CDD monitor and follow disposition procedures:

1) Inform the CDD monitor in writing  
2) Provide the description of property, tag number and state condition  
3) Dispose of property after CDD monitor verifies the physical condition of property. Follow disposition procedures on page 7 of 10.  
3) Revise and adjust inventory record identifying the disposition date, etc.

If an item of property is damaged or destroyed due to negligence, contractor shall replace the item at their own cost. Contractor shall follow disposition procedures described in the preceding paragraph. Disposition of property with a unit acquisition cost of $5,000 must be reported by the CDD monitor to the State.

**INSURANCE**

City contractors are expected to exercise care in the custody of property placed in their charge and all reasonable means to protect the property should be used. Contractor is responsible for providing adequate insurance against theft, vandalism, or fire for all property in their charge.

Where applicable, service agreements will be maintained by contractor.

**RECORDS**

An audit trail shall be maintained showing the acquisition and disposition of all non-expendable property with a unit acquisition cost of **$1,000 or more**. Property records shall include the following:

1. Acquisition date
2. Description of the item
3. Manufacturer’s name, make (if applicable), model, serial number
4. Unit acquisition cost, including installation, transportation, etc., where relevant (unit acquisition cost for inventory purposes does not include installation or transportation cost)
5. Source of funds; if jointly funded, the WIA share of the cost
6. Authorizing documents to purchase non-expendable property
7. Individual hardware and system components

8. Location, use and condition of property and date information was obtained

9. Inventory tag number

10. Ultimate disposition data, to include:
    a) Date of disposition
    b) Selling price
    c) Method used to determine current fair market value

PROPERTY RECORDS RETENTION: (29 CFR 97.42 AND 29 CFR 95.53)

All property records must be maintained from date of acquisition through final disposition. Contractors must also retain those records for a period of 3 years from the date of their last expenditure report submitted to the City. 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.

1. Record Storage

Records shall be retained and stored in a manner that will preserve their integrity and admissibility as evidence in any audit/litigation or other proceedings. The burden of production and authentication of the records shall be on the custodian of such records.

2. Access to Records

Contractor shall permit City staff access to its premises, customers, employees, records, books, and papers should the need arise during a monitoring visit or any investigative effort related to City property.

ACQUISITION

The contractor shall determine its property requirements prior to contract negotiations and shall prepare a budget for all property expenditures for the life of the contract. Questions regarding what constitutes property, either expendable and/or non-expendable, will be referred to the CDD monitor for clarification.

Purchase of real property is not allowed using WIA Funds.

Contractor shall obtain prior City written approval for the purchase, rental, lease purchase, or lease with option to purchase of all equipment with an acquisition, rental, or lease cost of $1,000 or more.
Prior to charging WIA for purchases of property with a per unit acquisition cost of $5,000 or more, contractor shall obtain the State’s approval in writing through the City. If the request is not approved and property is charged against WIA funds, the purchase becomes a questioned item and contractor may incur a disallowed cost.

Approval of an expenditure plan DOES NOT constitute approval of the equipment purchase request. The responsible CDD budget analyst will review each property request and will determine, (1) if items are budgeted, (2) if items are available from excess stock and, (3) whether or not the request duplicates items purchased under a previous contract. Considerations such as “Is this purchase necessary and cost reasonable?” and “What is the impact on WIA customers if the property is not procured?” shall form part of the overall judgment in approving a property acquisition.

DISPOSITION

1. If the contractor has no further use for equipment with a residual fair market value (FMV) of $1,000 and above, contractor shall request City approval in writing to dispose of any item for which it is accountable and that is tagged and accounted for in the CDD inventory listing.

   1.1 Disposition of property with a residual fair market value (FMV) of $4,999.99 or less will be the responsibility of CDD and nothing needs to be reported to the State. The local procedures of CDD will be applied.

   1.2 The CDD monitor will complete a Request for Sale/Reuse form from the City’s General Services Department (GSD) and obtain the necessary approval to have the property transported either by the contractor (at his own cost) or by the City’s Salvage Services Division of GSD. All documents pertaining to this disposition shall be kept in CDD central files and adjustments made to the City’s Centralized Asset Management System (CAMS).

   1.3 For all electronic equipment including computer and cellular telephone devices regardless of cost, the CDD monitor will complete a Computer and Cellular Telephone Devices Salvage Certification Form and submit for approval through CDD’s Computer Services Division. A Request for Sale/Reuse form from the City’s General Services Department (GSD) must also be completed.

2. For disposition of property, contractor shall observe the following procedures:

   2.1. 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.
2.2. If the equipment is no longer needed by contractor for the WIA program, they shall inform the City in writing if contractor wishes to use the equipment in connection with its other federally sponsored activities. Priority should be given to programs funded by the Department of Labor (DOL) Employment Training Administration.

2.3. Contractor may retain the equipment for other uses in addition to those mentioned in the preceding paragraph. If the equipment is retained, compensation must be made for the WIA federal funds used in the purchase.

2.4. If only WIA funds were used for the purchase, the compensation would be 100%. If there is mixed funding in the purchase, compensation would apply only to the WIA funded portion. This percentage is applied to the fair market value (FMV) or proceeds of the sale of the equipment after deducting actual reasonable selling and handling expenses ($500 or 10 percent of the proceeds of the sale, whichever is less). The balance of the WIA federal funds must be remitted to the City and the City will remit the balance back to the State for items with a unit cost of $5,000.00 or more.

Funds received from the sale of equipment should be sent to the City and the City in turn will send the proceeds from the sale to the following address:

Fiscal Programs Division, MIC 70
Employment Development Department
P.O. Box 826217
Sacramento, CA 94230-6217

FAIR MARKET VALUE (FMV)

CALCULATION OF "FAIR MARKET" VALUE:

The selling price of an item 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

There are various ways that current FMV can be determined. The Internet provides access to various sites for market pricing of vehicles. Other mechanisms include
appraisals, comparisons of prices in classified ads, or establishing a selling price where there are sufficient competition to obtain the highest possible return on the item. Whatever method is used, the local determination of current FMV must be reasonable.

For automobiles, trucks, and vans, the standard authority on the value of used vehicles is the Kelley Blue Book.

MONITORING

Monitoring of property will be conducted annually and will include:

1. CDD monitor's review of contractor property procedures for compliance with federal regulations, State, and City policies and to ensure that contractors have a control system to prevent loss, damage, or theft of personal property; and

2. Verification of the existence, condition, current use, and continued need for the property; reconciling the inventory with property records, and investigating any difference between quantities determined by the physical inspection and those shown in property records.

   Additionally, a separate inventory will be conducted whenever a loss or theft of property has occurred.

PROPERTY INVENTORY CLOSEOUT PROCEDURES

When a contract expires and is not renewed, contractor will provide the following information:

1. A listing of all WIA purchased non-expendable property under the terms and conditions of the current contract.

2. A listing of all WIA purchased non-expendable property transferred to the contractor by CDD or any other WIA subcontractor.

3. A listing of WIA purchased non-expendable property purchased by contractor with funds furnished under any previous contract with CDD.

4. A statement indicating the estimated FMV of office supplies remaining with the contractor. If there is a residual inventory of unused supplies exceeding $5,000 in total aggregate FMV upon termination or completion of a contract that are not to be used in a subsequent CDD contract, said inventory will be returned to CDD.

When a contract is renewed, the contractor will be requested to identify those items that will no longer be required in the performance of the new contract.

In those instances where contracts are not renewed and contractor has identified items that are no longer needed, CDD will provide disposition instructions for WIA equipment.
A disposition record must be kept for any transaction in accordance with WIA record retention requirements.

WDD CONTACT

Centers requiring further guidance in adhering to the requirements of this directive are encouraged to contact your assigned CDD monitor.

MC:SC:da
DATE: October 13, 2010
TO: LA’s Workforce Development System
FROM: Manny Chavez, Assistant General Manager Planning, Research and Evaluation

SUBJECT: WDS DIRECTIVE NO: 11-06 RESOURCE SHARING AGREEMENT

PURPOSE

The purpose of this Directive is to provide all WorkSource Center operators with proposed guidelines for calculating and documenting resource sharing in compliance with the Workforce Investment Act (WIA).

BACKGROUND

The WIA requires that an agreement be executed between the One-Stop operator and its co-located partners. The objective being to ensure that the costs of operating the One-Stop Center are shared.

The City of Los Angeles Local Workforce Investment Area (LWIA) has an outstanding finding with the state of California related to this issue. Additionally, the Department of Labor identified this as a concern during their recent visit.

DISCUSSION

The City of Los Angeles Memorandum of Understanding (MOU) between all of the WIA mandatory partners, executed at the inception of WIA, did not address the sharing of One-Stop Center operating costs. To ensure compliance with WIA and its governing regulations the original MOU is being amended. The attached draft language, that addresses resource sharing, is proposed for inclusion in the amendment.
The draft language provides guidelines for determining the expected contribution of WorkSource Center co-located partners. By executing the proposed amendment to the MOU, all partners will be accepting the formula for calculating their required contribution to Center operations. By establishing these guidelines at the "system" level, individual WorkSource Centers will be exempted from executing such agreements at the "center level". However, WorkSource Centers should continue to execute Memoranda of Understanding that specify the roles and responsibilities of their partner agencies.

Contractors' resource sharing plans will be captured through the Request for Contract Renewal Process (RFCR) with actual resource sharing reported at contract close-out.

Be advised that the amended MOU will require the approval of the Workforce Investment Board. As such, the resource sharing guidelines will not go into effect until the MOU is executed.

REQUESTED ACTION

Please review the attached resource sharing language and test the formula to determine the potential impact on your individual WorkSource Center.

Your written comments are encouraged. Please submit to MarinaSanchez@lacity.org by no later than close-of-business, October 21, 2010.

CONTACT

All comments related to this Directive are to be provided in writing as indicated above.

MC:ms
Attachment
I. RESOURCE SHARING

The sharing of resources between the partners already occurs at WorkSource centers by staff collocated at the centers; however the system has not adequately documented the resource sharing efforts. Many partners provide contributions by paying rent at a center, having staff located at the center, or both.

Resource sharing is the method through which One-Stop partner programs pay for, or fund, their equivalent share of the costs. Parties agree to adhere to the following principles in sharing costs and resources related to the WorkSource System.

A. Fair Share Contribution

Any Partner that collocates within a WorkSource Center shall contribute to financially support the cost of the Center’s operations. All such costs must be allowable in accordance with WIA and of benefit to the grant.

Contributions may be provided on a cash or in-kind basis and include, but are limited to goods, services, personnel, and/or payment for space usage. If a partner is already contributing to rent prior to the signing of the MOU, the rent payment will be considered the base contribution. WorkSource Centers shall report the contributions to the City annually through the Request for Contract Renewal process.

To ensure compliance with DOL guidelines and prior to accepting any financial contribution, the WorkSource operator must first identify the minimum fair share contribution for any potential collocated partner and then make a good faith effort to ensure that the contribution provided is equal to that amount. Costs may be allocated on the basis of the partners’ full-time equivalent (FTE) personnel occupying the Center.

Partners agree to negotiate with the WorkSource operators in the spring of each year in preparation for the next program year. Program years shall be July 1 – June 30.

B. Calculating the Fair Share Contribution

Calculation of the fair share contribution shall be based on the shared costs of operating the WorkSource Center divided by the total number of full-time equivalencies.

Computation of the fair share contribution shall be calculated by multiplying the shared costs of operating the WorkSource Center by a fraction whose numerator is the number of partner personnel generally operating from the Center and whose denominator is the total number of personnel generally making use of the Center.

Shared costs include but are not limited to: rent, utilities, security, telecommunications, supplies, and equipment. See below example:
EXAMPLE:
WorkSource Center shared costs: $400,000
Total Center FTEs 14
Expected cash contribution per collocated FTE $28,600
(CENTER SHARED COSTS / TOTAL FTEs)

In this example, if a partner had two FTEs located at a Center, for example, the partners expected contribution would be 2 x $28,600 = $57,200.

While the WorkSource Center should always negotiate a cash contribution first, in-kind contributions are acceptable and may be calculated as in the following example:

EXAMPLE:
Number of staff to be collocated ½
Collocated staff hourly rate incl. fringe benefits $25
# of hours to be collocated in program year 1040
Financial value of collocated staff $26,000

Notes
Staff person works half time at center

A mechanism will be set up to track the contributions by partners to the Center operations.

B. Documenting the Fair Share Contribution

Individual WorkSource Center resource sharing plans shall be captured annually through the Request for Contract Renewal Process (RFCR) with actual costs sharing reported and reconciled at contract close out. Fair Share contributions shall be subject to audit. As such, supporting documentation shall be retained by the WorkSource Center and made available for review by City and other WIA grant auditors.

C. Failure to Share Costs

Failure of any collocated partner to make the minimum fair share contribution to the Center’s operations shall be reported to the City, in writing.
DATE: February 16, 2012

TO: LA's Workforce Development System  
   LA's BusinessSource System

FROM: Jaime H. Pacheco-Orozco, Director  
       Workforce Development System  

       Ninoos Y. Benjamin, Director  
       Economic Development Division

SUBJECT: WDS DIRECTIVE NO. 12-14  
         (Supersedes WDS Directive No. 11-09)  
         BSS DIRECTIVE NO. 12-01  
         CHANGE IN SCOPE OF WORK IN ADMINISTERING BUSINESS SERVICES  
         WITHIN THE CITY OF LOS ANGELES WORKFORCE DEVELOPMENT AND  
         BUSINESS SOURCE SYSTEMS

EFFECTIVE DATE
This directive is effective retroactive to January 1, 2012 for all Workforce Investment Act (WIA) WorkSource contracts administering business services for Program Year 2011-2012. This directive supercedes WDS Directive No. 11-09.

PURPOSE
The intent of this directive is to:

1) Update and clarify which activities qualify as business services for the WorkSource Performance Evaluation starting in Program Year 10-11.

2) Establish documentation requirements for receiving credit for these activities.

3) Establish business service delivery performance levels for LA's WorkSource Center System. Full service WorkSource Centers shall serve a minimum of 65 businesses and deliver a minimum of 65 business services. WorkSource Center portals shall serve a minimum of 50 businesses and deliver a minimum of 50 business services.

4) Establish standard monitoring requirements for the Business Service delivery system of quarterly site visits and reporting of performance. Each Regional Director/Regional Deputy Director shall assign appropriate staff to execute these duties. The Business Service monitoring tool is attached.
5) Establish the requirement for the Los Angeles BusinessSource System Centers and the WorkSource Centers to enter into a Memorandum of Understanding (MOU) to refer business clients for the purpose of providing the appropriate business services under each delivery system. The BusinessSource/WorkSource Business Needs Assessment and Business Referral Form is attached.

6) Establish a contractual goal of a minimum of 20 business referrals (to and from) between each WorkSource Center and Business Source Center. These referrals are part of the business services for the WorkSource Centers. Each WorkSource Center is required to collaborate with the BusinessSource Center in their region (Business Source/WorkSource regional matrix attached). The WorkSource Centers and the BusinessSource Centers shall collect the following information on any business referrals: a) type of services rendered and, b) the date of completion of such services. Such information will be used for reporting purposes to the City.

7) Establish the requirement for BusinessSource/WSCs Business Services to submit to the City a monthly/quarterly calendar of business events i.e. entrepreneurial workshops, business resource fairs, business seminars, access to capital, etc.

BACKGROUND
The CDD has undergone a reorganization which allowed the opportunity to realign the provision of business service through the consolidation of some components of the CDD’s Economic Development Division and the former Workforce Development Division. Carolyn Weiss, Regional Area Director for the Central/West Regional Office, oversees the Business Services activities for the CDD.

1. Agreements were reached to modify the contract boilerplates for both the WorkSource Center/One-stop Career Center System and the BusinessSource systems to reflect the new list of business services each system is required to provide, eliminating duplication of efforts and elevating service quality and delivery. The BusinessSource contract language reflecting this requirement is incorporated in their current contracts. This directive adds to the current contract language for the WorkSource Centers. Consequently, this directive requires these changes to be implemented immediately for all LAWIA WorkSource Centers providing business services through the Los Angeles Workforce Investment Act.

This directive changes the following contract requirements for WorkSource Centers in the contract boilerplate:

- This directive deletes the Skillsmatch system requirement. “Skillsmatch” contractors will no longer be required to track businesses served into the Skillsmatch system. The Skillsmatch system is no longer supported either fiscally or administratively. WorkSource contractors will be required to maintain physical files of businesses served. The WorkSource Centers may track and maintain electronic files of businesses served for the program year.
- This directive adds language requiring the WorkSource Centers to manage referrals to and from the BusinessSource system. The LAWIA WorkSource Centers shall make business referrals to and from the Los Angeles BusinessSource Centers in order that local businesses are provided with appropriate services under each delivery system. The delivery system for each system is identified herein.

- This directive adds language requiring the WorkSource Centers to enter into a non-financial memorandum of understanding (MOU) with the BusinessSource Centers in their area of service and to submit copies of the MOU to the City (BusinessSource/WorkSource regional matrix attached). The BusinessSource Centers will initiate or update the present MOU with their local WorkSource Centers. They must be submitted to the City within 30 days of the date of release of this directive.

WDS/BSS CONTACT
Questions or requests for additional information and/or clarification should be addressed to your assigned program monitor.

JHP:NYB:MA:LM:cc

Attachments: BusinessSource/WorkSource Centers List of Qualifying Business Services
             BusinessSource/WorkSource Centers Regional Matrix
             BusinessSource/WorkSource Centers Business Referral Form
             BusinessSource/WorkSource Centers Business Needs Assessment (BNA)
             WorkSource Center Business Services Monitoring Form
<table>
<thead>
<tr>
<th>Service</th>
<th>Definition</th>
<th>Documentation Required</th>
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<tbody>
<tr>
<td>Assistance on Hiring people with Disabilities</td>
<td>Assist the business in developing policies or plans for recruiting people with disabilities or referral to organization specializing in assisting the disabled (ex. Goodwill). Help business obtain and install assistive technologies.</td>
<td>• Copy of policies or plans for recruiting people with disabilities • Documentation of services provided including specific activities to serve people with disabilities OR • Completed referral form</td>
</tr>
<tr>
<td>Completing BNA (business needs assessment) with action plan</td>
<td>A comprehensive needs assessment resulting from a meeting with the business and documentation of at least one qualifying business service.</td>
<td>• Completed Business Assessment • Completed qualifying business service activity</td>
</tr>
<tr>
<td>Develop Job Description</td>
<td>Assist with development of a comprehensive job description.</td>
<td>Copy of all job description(s) developed for business</td>
</tr>
<tr>
<td>HR Assistance</td>
<td>Assist the business with HR challenges which go beyond the standard hiring, recruiting and matching candidates such as: Providing info on specific labor laws, Legal equal opportunity requirements, Sexual harassment policy. Referral of the business to outside organization specializing in HR needs.</td>
<td>• Copy of any information provided to business • Completed referral form and type of HR service provided</td>
</tr>
<tr>
<td>Identifying Career Ladders</td>
<td>Assist business in developing policies or plans to create/define formal career ladders. Career ladders should be defined by utilizing established occupations defined by Federal agencies or other nationally recognized source.</td>
<td>Copy of career ladder policy or plan specifying career ladders and job descriptions</td>
</tr>
<tr>
<td>Implement Customized Incumbent Worker Training Project</td>
<td>Coordinate and implement specialized training for a business’s existing employees Must include skills upgrade plan</td>
<td>All of the following: • Copy of training curriculum • List of participants and attendance sheets • Documentation of outcomes (completion rate)</td>
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<tr>
<td>Implement Customize Recruitment</td>
<td>Work with the business to identify their needs and develop a plan for recruiting candidates. May include: Hosting a system-wide recruitment day, or Coordinating a job fair exclusively for a business employer contact or employer group.</td>
<td>All of the following: • Copy of flyer/brochures for event • List of participants/ sign-in sheets</td>
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<tr>
<td>Industry Focus Group</td>
<td>Design and implement a focus group to study a business issue as requested by one or more business customers.</td>
<td>All of the following: • Copy of agenda • List of participants and attendance sheets • Documentation of outcome/focus group recommendations</td>
</tr>
<tr>
<td>Labor Market Information</td>
<td>Provide business with specific labor market information that they requested regarding wages, occupational skills, and the economy.</td>
<td>Copy of LMI Information</td>
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<tr>
<td>Lay-Off Aversion</td>
<td>Assist the business with developing strategies to avoid layoffs or referral to another organization that can assist them with these needs.</td>
<td>• Documentation of specific type of lay-off aversion assistance. • Completed referral form and type of assistance provided</td>
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<td>Service</td>
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<td>Other</td>
<td>Any service that is not otherwise specified on this list, but that the Center considers a business service. Note: The service being reported and associated documentation must be pre-approved by WDD to receive credit on the annual performance evaluation.</td>
<td>- Documentation of services provided in Business Services Activity Form including specific type of service and outcome Note: Any additional documentation required is contingent on the particular service being provided. Consult your workforce development department (WDD) Business Service Representative to establish the documentation required to receive credit.</td>
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<td>Placement/Hire</td>
<td>An actual hire occurred that can be verified when surveying the business</td>
<td>One of the following:</td>
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<td>- Original Employment Verification Letter on business letterhead</td>
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<td>- Faxed employment verification from business that also included business card</td>
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<td>- Employment Development Department (EDD) base wage files</td>
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<td>Or from employee, on of the following:</td>
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<td>- Paycheck stub</td>
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<td>- Copy of W-2</td>
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<td>- IRS 1040</td>
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<td>Rapid Response</td>
<td>Work with the CDD Rapid Response Unit and the business to design a Rapid Response plan for employees. Rapid Response involving layoffs of 10 or more must be provided by the CDD Rapid Response Coordinating Unit</td>
<td>- Copy of coordination meeting agenda(s)</td>
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<td>- Copy of flyer/brochures for event</td>
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<td>- List of participants/sign-in sheets for Rapid Response orientation(s)</td>
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<td>Research</td>
<td>Conduct research in areas such as, but not limited to:</td>
<td>- Documentation of specific type of research provided</td>
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<td></td>
<td>1. Economic Issues</td>
<td>- Copy of research information provided</td>
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<td>2. Business Trends</td>
<td>- Completed referral form and type of research provided</td>
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<td>3. Labor Issues</td>
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<td>Or referral to another organization that can assist them with these needs</td>
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<tr>
<td>Resource Center Use</td>
<td>Business uses the WSC for classes, interviews, research, planning meetings, conferences, computers or other office needs</td>
<td>Documentation of services provided, date and time of activity and individuals involved.</td>
</tr>
<tr>
<td>Speaker Services Provided to Business</td>
<td>Provide speaker(s) at a function or training event for the business or their staff. Note: Marketing of the WorkSource Center or the Workforce Development System is not considered a speaker service</td>
<td>All of the following:</td>
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<td>- Copy of training notice or flyer that includes name of speaker and presentation topic</td>
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<td>- Copy of invoice for speaker(s) (if available)</td>
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<td>- Copy of attendance sheets</td>
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<tr>
<td>Tracking Employee Information for Employer</td>
<td>Providing detailed reports for the business to track applicants, referrals and hires including contact data and other info as needed by business</td>
<td>- Copy of all tracking reports generated for the business</td>
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<td>Service</td>
<td>Definition</td>
<td>Documentation Required</td>
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</table>
| Business Plan                              | Refer business to LABSC or another organization that can assist in writing a business plan. | • Completed referral form  
• Signoff indicating plan was completed by Center or referral agency |
| Business Workshop                          | Hosting a business event, seminar, or workshop. Event may be to provide technical assistance, training, information and business networking. | All of the following:  
• Copy of agenda/program including date, time and location of event  
• List of participants and attendance sheets  
• Employer information sheet |
| Completing BNA (business needs assessment) with action plan | A comprehensive needs assessment resulting from a meeting with the business and documentation of at least one qualifying business service. | • Completed Business Needs Assessment AND  
• Completed qualifying business service activity |
| Financing Assistance                       | Assist the business in obtaining financing by referring them to another organization that can assist them with these needs (ex Los Angeles BusinessSource Program (LABSC) or program or Small Business Administration (SBA)) | • Completed referral form and type of financial assistance provided |
| Insurance Services                         | Referral to another organization that can assist with these needs. | • Completed referral form and type of insurance service provided |
| Marketing Assistance                       | Marketing, planning or promotional assistance provided through referral, including:  
• Marketing plan development  
• Promotion strategies  
• Marketing materials  
• Other assistance designed to help promote and build business | • Documentation of specific type of marketing assistance provided and outcome  
• Copy of any marketing materials or marketing plan  
• Completed referral form and type of marketing assistance provided |
| Micro-Enterprise Training                  | Assist the business via referral and micro-enterprise training or enrollment in a program offered by LABSC, SBA | Either:  
All of the following  
• Copy of training curriculum  
• List of participants and attendance sheets  
• Documentation of outcomes  
OR  
• Completed referral form  
• Copy of training curriculum  
• Documentation of outcomes  
Note: The service being reported and associated documentation must be pre-approved by WDD to receive credit on the annual performance evaluation. |
| Other                                      | Any service that is not otherwise specified on this list, but that the Center considers a business service.  
Note: The service being reported and associated documentation must be pre-approved by WDD to receive credit on the annual performance evaluation. | • Documentation of services provided in Business Services Activity Form including specific type of service and outcome |
| Procurement Assistance                     | Assist the business in developing and implementing a sound procurement plan by referring them to another organization that can assist them in qualifying for government procurement programs (ex. LABSC or SBA) | • Completed referral form and type of procurement assistance provided |
| Research                                   | Conduct research in areas such as, but not limited to:  
• Economic Issues  
• Business Trends  
• Labor Issues  
Or referral to another organization that can assist them with these needs | • Documentation of specific type of research provided  
AND/OR  
• Copy of research information provided  
• Completed referral form and type of research provided |
<p>| Tax Credit and Voucher Assistance           | Provide detailed advice on how to take advantage of tax credits and tax vouchers by referring the business to CDD’s Regional Business Service Manager or Specialist for this service. | • Completed referral form and type of assistance provided |</p>
<table>
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<tr>
<th>CD</th>
<th>BusinessSource Center</th>
<th>BusinessSource Address</th>
<th>WorkSource Center</th>
<th>WorkSource Center Address</th>
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<td>1</td>
<td>East Region BusinessSource Center</td>
<td>1852 E. 1st St. Los Angeles, CA</td>
<td>Metro North</td>
<td>342 San Fernando Rd. Los Angeles, CA</td>
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<tr>
<td></td>
<td>(Barrio Planners, Inc.)</td>
<td>90033</td>
<td>Goodwill</td>
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<td>Northeast LA</td>
<td>3825 N. Mission Rd. Los Angeles, CA</td>
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<td>ResCare</td>
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<td>NE-L, Beserra Roybal FSC</td>
<td>1505 E. 1st St. Los Angeles, CA</td>
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<td>CSCLA</td>
<td>90012</td>
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<td>Central West Region BusinessSource</td>
<td>1055 Wilshire Blvd, Suite 900-B</td>
<td>Downtown</td>
<td>315 W. 5th St., Suite 101 Los Angeles, CA</td>
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<td>Center (PACE)</td>
<td>Los Angeles, CA 90017</td>
<td>CASC</td>
<td>90014</td>
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<td>Hollywood @ LACC</td>
<td>835 N. Vermont Ave., B-10 Los Angeles, CA</td>
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<td>MCS</td>
<td>90027</td>
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<td>Westlake</td>
<td>1055 Wilshire Blvd., Suite 900 A Los Angeles, CA</td>
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<td>Wilshire-Metro</td>
<td>3550 Wilshire Blvd., Suite 500 Los Angeles, CA</td>
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<td>CCD</td>
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<td>South Region BusinessSource Center</td>
<td>1130 W. Slauson Ave. Los Angeles, CA</td>
<td>Marina Del Rey-Mar Vista</td>
<td>13160 Mindanao Way, Suite 240 Los Angeles, CA</td>
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<td>90037</td>
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<td>Southeast LA- Watts</td>
<td>10950 S. Central Ave. Los Angeles, CA</td>
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<td>WLCAC</td>
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<td>West Adams-Baldwin Hills</td>
<td>3344 S. La Cienga Blvd. Los Angeles, CA</td>
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<td>Imperial Courts Portal</td>
<td>11534-36 Crenesus Ave., Spc 113 Los Angeles, CA</td>
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<td>HACLA</td>
<td>90059</td>
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<td>Jordan Downs Satellite</td>
<td>2101 E. 101st St. Los Angeles, CA</td>
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<td>HACLA</td>
<td>90002</td>
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<td>1495 E. 114th St., Suite 1106 Los Angeles, CA</td>
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<td>Harbor Region BusinessSource Center</td>
<td>1851 N. Gaffey St. Suite F San Pedro, CA</td>
<td>Harbor</td>
<td>1851 N. Gaffey St., Suite F San Pedro, CA</td>
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<td></td>
<td>(MCS, Inc.)</td>
<td>90731</td>
<td>PacificGatewayWorkforce</td>
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<td>Marina Del Rey-Mar Vista</td>
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<td>90292</td>
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<td>8248 Van Nuys Blvd. Panorama City, CA</td>
<td>Canoga Park-West Hills</td>
<td>21010 Vanowen St., Suite 116 Los Angeles, CA</td>
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<td>Center (ICON CDC)</td>
<td>91402</td>
<td>ResCare</td>
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<td>Chatsworth-Northridge</td>
<td>9207 Eton Ave. Los Angeles, CA 91311</td>
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<td>BuildRehab</td>
<td>9207 Eton Ave. Los Angeles, CA 91311</td>
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<td>Van Nuys-North Sherman Oaks</td>
<td>15400 Sherman Way, Suite 140 Van Nuys, CA 91406</td>
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<td>6</td>
<td>North Valley Region BusinessSource</td>
<td>13172 Van Nuys Blvd. Pacoima, CA</td>
<td>Sun Valley</td>
<td>9024 Laurel Canyon Blvd. Sun Valley, CA 91352</td>
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<td></td>
<td>Center (VEDC)</td>
<td>91331</td>
<td>El Proyecto</td>
<td>91352</td>
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</tbody>
</table>
Business Referral Form

Referral Information
Agency Providing Referral: ___________________________ Date: ____________

WorkSource Center—Referred to: ___________________________

BusinessSource Center—Referred to: ___________________________

Business Information
Business Name: ___________________________ Owner: ___________________________
Address: ___________________________
Telephone Number: ___________________________ Fax: ___________________________
Email Address: ___________________________ Website: ___________________________
Industry: ___________________________ Business Entity: ___________________________

WIA Business Services Needed:
☐ Assistance in Hiring People with Disabilities
☐ Completing BNA with Action Plan
☐ Developing Job Description
☐ HR Assistance
☐ Identifying Career Ladders
☐ Customized Worker Training
☐ Implement Customize Recruitment
☐ Industry Focus Group
☐ Labor Market Information
☐ Lay-off Aversion
☐ Placement/Hire
☐ Rapid Response

LABSC Services Needed:
☐ Business Plan
☐ Business Workshop
☐ Completing BNA with Action Plan
☐ Financing Assistance
☐ Insurance Services
☐ Marketing Assistance
☐ Microenterprise Training
☐ Procurement Assistance
☐ Referral to WorkSource
☐ Research
☐ Tax Credit/Voucher Assistance
☐ Other

Notes: ___________________________

Follow Up

Agency Representative: ___________________________ Date: ____________

An Equal Opportunity Employer/Program.
Auxiliary aids and services are available upon request to individuals with disabilities.
BUSINESS NEEDS ASSESSMENT

How did you hear about WorkSource?

| Contact Name: | Title: |
| Business Name: | |
| Business Address: | |
| City: | State: | Zip code: |
| Phone # (___) | Ext.: | Fax: (___) |
| E-mail: | Web site: | |
| Federal Tax ID #: | Standard Industry Code (SIC NAICS): |

Company's product or service:

- Years in business: __________
  - Corporate/Headquarters
  - Branch
  - # of Employees at this location
  - What is the most significant factor affecting your business?

Current BUSINESS ASSISTANCE needed (that could be provided through our partners or collaborators):

- Marketing
- Financing/Access to capital
- Entrepreneurial information
- Labor Market Information
- Business counselling
- Business plan
- Training/Staff Development
- Tax Credit Information
- Other

What changes do you foresee in the next year?
What changes do you foresee in the next five years?

Do you have any particular hiring needs at this time? ☐ Yes ☐ No
If YES may we contact you to get details? ☐ Yes ☐ No

How can we help with your staffing needs today?

If no hiring needs, do you anticipate any over the next 6 months? ☐ Yes ☐ No
# of Positions:

Full Time? ______ Part Time? ______ Do you do the hiring? ______ If no who is responsible?

How many openings currently?

What are the main issues when considering hiring?

Do you have any difficulty finding qualified employees? ☐ Yes ☐ No
Please describe:

Any difficulty retaining qualified employees? ☐ Yes ☐ No

Why: ____________________________

Do you hire ex-felons? ☐ Yes ☐ No (If yes, how extensive?)

Do you provide benefits? ☐ Yes ☐ No (If YES what):

What type of training do you provide your employees?

Current STAFFING, TRAINING and HUMAN RESOURCES assistance needed (provided by WorkSource):

- Lay off/Downsizing services
- Job applicants
- Retention assistance
- Interview/Conference room
- New hire training
- Current employee training (topics):

OFFICE USE ONLY (Steps recommended, referral and follow up):

Equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.
BUSINESS SERVICES MONITORING FORM

Agency Name: ________________________________

Date of Site Visit: ________________________________

Business Services Representative: ________________________________

Operations Analyst: ________________________________

Total Number of Business Served: ________________________________

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<th>Documentation</th>
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| E-mail: Contact:  | □ No (Did not complete at least one additional service) | □ No (Did not document service) |
| Contact Title:    |                   |               |

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</table>
DATE:       June 27, 2012

TO:        LA’s Workforce Development System
           WorkSource Center Operators

FROM:      Jaime H. Pacheco-Orozco, Director
           Workforce Development System

SUBJECT:   WDS DIRECTIVE NO. 12-23
           PY 2012-13 LEVERAGED RESOURCE REPORTING REQUIREMENTS
           FOR WORKSOURCE CENTERS

EFFECTIVE DATE
This directive is effective upon date of issue.

PURPOSE
This directive spells out the procedures for reporting Training as a Leveraged Resource, as well as Supportive Services as a Leveraged Resource. This directive also contains both forms to report these leveraged resources.

BACKGROUND
State Senate Bill 734 [SB 734 (DeSaulnier), Chapter 498, Statutes of 2011] imposed new training expenditure requirements on Local Workforce Investment Boards (local boards) carrying out WIA funded programs. Beginning Program year (PY) 2012-13, local boards are required to spend at least 25 percent of their Adult and Dislocated Worker WIA formula fund allocations on workforce training services. A portion of the minimum training expenditure requirement (an amount of up to 10 percent of the Adult and Dislocated Worker formula fund allocation) may be met by applying designated leveraged resources used for training services.

On May 17, 2012, the State of California Employment Development Department (EDD) issued Directive WSD11-9 stipulating that the State will only consider training as a leveraged resource. Attached to the State directive is the form the State is using to capture leveraged training resources. The State directive and accompanying form clearly stipulate what sources of leveraging the State will accept, and how to report those resources on the form.

The Annual Plan Year 13 (PY 12-13) specifies that WorkSource Centers must expend an amount equal to or greater than 30 percent of their adult and dislocated worker WIA formula fund allocations on workforce training services. In accordance with SB 734,
a portion of the minimum training expenditure requirement (an amount of up to 10 percent of the adult and dislocated worker formula fund allocation) may be met by applying designated leveraged resources as defined by WSD11-9.

TRAINING
A program of training services is defined in Title 20 CFR Section 663.508 as “one or more courses or classes, or a structured regimen, that upon successful completion, leads to: (1) a certificate, associate degree, or baccalaureate degree; or (2) the skills or competencies needed for a specific job or jobs, an occupation, occupational group, or generally, for many types of jobs or occupations, as recognized by employers and determined prior to training.”

Examples of such services include but are not limited to:

- Occupational skills training, including training for non-traditional employment;
- On-the-job training;
- Training programs operated by the private sector;
- Skill upgrading and retraining;
- Job readiness training;
- Entrepreneurial training;
- Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

SUPPORTIVE SERVICES
Supportive Services are customer services that are necessary to enable WIA eligible individuals to participate in authorized WIA activities.

Examples of such services include but are not limited to:

- Child Care and dependent care for dependents of customer;
- Clothing – Adequate clothing to allow customer to wear appropriate work attire while participating in WIA activities and during job interviews;
- Housing – Temporary shelter, housing assistance and referral services;
- Transportation – Expenses for commuting to and from WIA activities such as public transportation fare, carpool arrangement or gas for personal auto;
- Other – Uniforms or work-related tools, shoes etc.

The training requirement in SB 734 does not address the issue of providing supportive services to registered WIA participants. In addition to budgeting and leveraging training resources, agencies may also need to budget supportive services for the upcoming year.

Beginning in PY 2012-13, the Community Development Department (CDD) will now use a modified version of the State form to report leveraged training resources. Even though
leveraged Supportive Services do not count towards the State requirement, the CDD wants to capture those costs to show the full extent to which the system is leveraging resources. Attached to this directive is the modified State training leveraged resource form, as well as the CDD PY 2012-13 Supportive Services Leveraged Resource form.

REQUIRED ACTION
Invoices are due to the Financial Management Division (FMD) no later than the 15th of the month for expenses incurred in the prior month. Agencies need to include both leveraged resource forms with the expense reports on the 15th of every month.

Two copies of each of the two leveraged resource forms need to be submitted each month. One copy of each form should be submitted to FMD along with the monthly invoices, and one copy of each form should be submitted to your assigned budget/program analyst.

The FMD will compile the data and make that information available to the Planning Group for use in the agency's annual performance evaluation of Customer Satisfaction, Outcomes, Flow, and Administrative Capability (SOFA). The information will also be supplied to the Operations Division to help program analysts track their agencies progress throughout the program year.

Failure to conform to this requirement may adversely affect an agency's SOFA results.

WDS CONTACT
Questions or requests for additional information and/or clarification should be addressed to your assigned budget/program analyst.

JHP:RB:RR
Attachment: Modified State of California EDD Training Leveraged Resource form
CDD Supportive Services Leveraged Resource form
PY 2012-13 SUPPORTIVE SERVICES LEVERAGED RESOURCE FORM

Contractor: ____________________

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<th>Description</th>
<th>Source</th>
<th>Amount</th>
<th>Type of Documentation</th>
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Source key:  F- Federal, S- State, L- Local, P – Private, O- Other

H:\MAILBOX\RReed\Miscellaneous\PY 12-13 Supportive Services Leveraged Resource form.doc
Summary of Leveraged Resources

1. WorkSource Center
2. Date
3. Program Year

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<thead>
<tr>
<th>Program Year Funding and Training Expenditures</th>
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<tr>
<td>4. Adult and Dislocated Worker Formula Fund Allocations</td>
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<tr>
<td>5. Training Expenditure Requirement</td>
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<td>6. Formula Fund Training Expenditures</td>
<td></td>
</tr>
<tr>
<td>7. Leveraged resources used toward training expenditure requirement (10% maximum)</td>
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<tr>
<td>8. Total amount spent on training (should equal or exceed Line 5)</td>
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<table>
<thead>
<tr>
<th>Leveraged Resources Detail</th>
<th>Amount</th>
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<tbody>
<tr>
<td>9. Source*</td>
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Total (should be equal to Line 7 above) 0

*Source (Choose one of the following):
(a) Pell Grant
(b) Programs authorized by the Workforce Investment Act (specify)
(c) Trade Adjustment Assistance
(d) Department of Labor National Emergency Grants
(e) Match funds from employers, industry, and industry associations (specify)
(f) Match funds from joint labor-management trusts (specify)
(g) Employment Training Panel grants

Comments

Certification
11. Name
 (print)
 (sign)
12. Title
13. Phone Number
14. Contact Name
15. Contact Title
16. Phone Number
DATE: October 15, 2013

TO: All Economic and Workforce Development Department Contractors

FROM: Jan Perry
       Interim General Manager

SUBJECT: WDS DIRECTIVE NO. 14-05
         POLICY ON CONFLICT OF INTEREST

EFFECTIVE DATE
This directive is effective upon date of issue.

PURPOSE
The purpose of this Directive is to re-issue the Department’s policy on Conflict of Interest previously issued on December 15, 2006 as Directive Number FY07-0001.

Prior directive FY07-0001 became effective on January 1, 2007 as of the execution date of any new contract and/or amendment. WDS Directive No. 14-05 supersedes Community Development Department (CDD) Directive FY07-0001.

BACKGROUND
The Economic and Workforce Development Department (EWDD) is funded by several grant sources, each with different regulations related to prohibiting conflicts of interest. The City is required to apply conflict of interest laws cumulatively, meaning the strictest law is what controls a given situation. In an effort to assist the Department’s contractors and their various staffing situations, EWDD will review each reported case of conflict of interest on an individual basis, to the extent allowed by the specific grant regulations for the benefit of the grant and its beneficiaries. If approval of an exception/waiver is recommended by EWDD and approved by the City, it must then be approved by the funding source. The request to review conflict of interest situations must be made prior to the execution of your Agreement or Amendment.

DIRECTIVE

Please note that the City’s Agreement and this Directive prohibits Contractors from allowing employees to be members of its Board of Directors if the employee receives any financial benefit from the City Agreement.
All Contractors/Sub-Contractors are required to notify the City immediately upon discovery that a potential conflict of interest situation exists or may come into existence due to upcoming contractual/business dealings prior to each year’s execution of a new City Agreement or Amendment.

If an existing or pending conflict of interest situation(s) is not brought to the attention of the City prior to execution of the Agreement or Amendment, and subsequent audit or monitoring visits determine that a conflict of interest does exist, the City will NOT approve a Contractor/Sub-Contractor’s request for waiver/exception of the conflict of interest. Further, the City will question and may disallow any and all costs associated with that conflict of interest.

All exceptions/waivers to conflicts of interest that have been previously granted must be reviewed before execution of a new City funded Agreement or Amendment.

No City-funded Employees as Board Members
The City will not execute any Agreements and/or Amendments with Contractors where an employee (an individual who is paid or receives any financial benefit from funds from the Agreement with the City), is a member of the Board of Directors. The Board minutes must reflect this requirement.

Code of Conduct
The City requires that all Contractors/Sub-Contractors adopt a Code of Conduct which at minimum reflects the constraints discussed in this Directive. No Agreements and/or Amendments will be executed without City approval of this Code of Conduct.

Further, the City requires compliance with the following conflict of interest requirements for all City funded contractors.

Conflict of Interest
A. Prior to obtaining the City’s approval of any subcontract, the Contractor shall disclose to the City any relationship, financial or otherwise, direct or indirect, of the Contractor or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.

B. The Contractor covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administrating any subcontract supported (in whole or in part) by City funds (regardless of source) where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

1. A member of such person’s immediate family, or domestic partner or organization has a financial interest in the subcontract; or

2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

C. Definitions:

1. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law.

2. The term "financial or other interest" includes but is not limited to:
   a. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
   b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.

3. A subcontract is any agreement entered into by Contractor for the purchase of goods or services with any funds provided by this Agreement.

D. Minutes of Board Meetings must reflect disclosure of transactions where Board Members may have had a direct or indirect interest/benefit in the action.

E. No director, officer, employee (or agent) of the Contractor may be on the Board of Directors if they receive any financial benefit provided by any City Agreement.

F. The Contractor further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).

G. The Contractor shall not subcontract with a former director, officer, or employee within an one-year period following the termination of the relationship between said person and the Contractor.

H. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.

I. The Contractor warrants that it has not paid or given and will not pay or give to any third person, any money or other consideration for obtaining this Agreement.
J. The Contractor covenants that no member, officer or employee of Contractor shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.

K. The Contractor shall incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "Contractor" and "sub-subcontractor" for "Subcontractor".

CONTACT
Please contact your assigned Analyst to discuss the different options for eliminating existing conflict of interest situations. If you require technical assistance regarding this Directive, please contact Christopher Rajapakse, Community Program Director at (213)744-7175, TTY (213) 744-9395.