



Supplemental Guidance to the Governor's Guidelines – Advance Release

February 7, 2018

PY 2018 and PY 2017 Reconciliation



Supplemental Guidance – Advance Release

This advance release of “SUPPLEMENTAL GUIDANCE TO THE GOVERNOR’S GUIDELINES TO STATE AND LOCAL PROGRAM PARTNERS NEGOTIATION COSTS AND SERVICES UNDER THE WORKFORCE INVESTMENT ACT OF 2014” is being made available to State and local partners pending final approval for formal issuance. Because no significant changes are anticipated before final issuance, local workforce innovation boards and local required partners are strongly encouraged to initiate all activities required to fulfill the requirements specified in the Supplemental Guidance in recognition of the limited time available for negotiation of shared costs and other matters for PY 2018 WIOA programs, and for performing required shared cost reconciliations for PY 2017 programs.

Overview

- Background
- Purpose of the Supplemental Guidance
- Timeline
- Requirement for affiliate/specialized centers
- New guidance for one-stop operator costs
- New one-stop operating budget spreadsheet
- Revised MOU Section 12 budget narrative
- New Outcome Report for budget negotiations
- PY 2018 technical changes to the MOU Template
- PY 2017 reconciliation of budgeted to actual costs
- Action required

Background

New requirements and clarifications explained in:

TEGL 17-16—*Infrastructure Funding in the One-Stop Delivery System*

TEGL 15-16—*Competitive Selection of One-Stop Operators*

- MOUs good for three years
- One-stop operating budgets must be negotiated annually
- Reconciliation of PY17 shared costs starts now
- Infrastructure cost sharing requirements expand to affiliate and specialized centers in PY18
- Costs of one-stop operators must be reflected in the PY18 annual budget

[TEGL 17-16 https://wdr.doleta.gov/directives/corr_doc.cfm?docn=4968](https://wdr.doleta.gov/directives/corr_doc.cfm?docn=4968)

[TEGL 15-16 https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8116](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8116)



Purpose of Supplemental Guidance for PY 18 and for PY 17 Reconciliation

Governor's Guidelines – Revision 2 remains in effect.

The Supplemental Guidance for PY 18 focuses on new requirements for cost sharing. It also provides guidance on reconciliation of budgeted to actual costs for PY17 (current year).

New spreadsheets and a new "outcome report" are included.

1. Clarify timelines and requirements specific to PY 18 budget negotiations
2. Affirm affiliate and specialized centers are subject to cost sharing requirements in PY 18
3. Make technical changes
4. Provide a new "outcome report" for annual budget and a new budget spreadsheet template
5. Provide guidance for reconciliation of PY 17 shared costs

Timeline

PY 18 (SFY 19) Timeline	Activity
January 1, 2018	<ul style="list-style-type: none"> • PY 18 local negotiation of shared costs for comprehensive one-stop centers, affiliates and specialized centers began
April 15, 2018	<ul style="list-style-type: none"> • Local budget negotiations end • New Outcome Report of Annual Budget Negotiation for PY 18 due • Draft one-stop delivery system budget spreadsheet due
May 1, 2018	<ul style="list-style-type: none"> • 30-day remediation period begins for local areas not in agreement
May 31, 2018	<ul style="list-style-type: none"> • LWIAs at impasse on cost sharing are referred to Governor's Office
June 15, 2018	<ul style="list-style-type: none"> • Governor determines each required partner's share of costs for local areas that did not reach agreement
July 1, 2018	<ul style="list-style-type: none"> • Signed, amended MOU incorporating the PY 18 one-stop operating budget submitted to Mike Baker at Commerce

Infrastructure Requirements for Affiliate and Specialized Centers

- **New:** Infrastructure cost sharing requirements will apply to affiliate and specialized centers in PY 18, starting July 1, 2018.
 - This includes requirements for periodic reconciliation of budgeted to actual costs.
- State policy defining affiliate centers is under development.

In the meantime, the Supplemental Guidance says:

“Infrastructure costs must be shared proportionately among all required partners agreeing to provide services in any service location that a local workforce board designates as an affiliate or specialized center.”

New Guidance for Showing One-Stop Operator Costs in the Budget

Whether the one-stop operator is a single entity or a consortium, the cost of the one-stop operator must be included in the one-stop operating budget spreadsheet and explained in the MOU budget narrative.

When required partners agree to share the one-stop operator costs:

- The cost of the one-stop operator is entered into the designated line item under Shared Delivery System Costs.

When required partners do not plan to share the one-stop operator costs:

- The cost of the one-stop operator is entered into the “contribution toward one-stop operator” line item and explained in the “notes” *and* MOU Section 12 budget narrative.

New One-Stop Operating Budget Spreadsheet – main concepts

Main concepts:

1. One-stop operating budget encompasses the Infrastructure Funding Agreement (IFA)
2. One-stop operating budget includes one tab for each service location
 - Every comprehensive one-stop center gets its own tab
 - Every affiliate or specialized center gets its own tab
3. Shared delivery system costs are split into two categories
 - Delivery system costs specific to that location (e.g., resource room specialist)
 - Delivery system costs spread across all locations in the LWIA (e.g., board staff costs)
4. Partners will make FTE commitments for each service location
5. One-stop operator costs must be reflected as either a shared cost or a contribution toward the one-stop operator

New One-Stop Operating Budget Spreadsheet – additional improvements

Additional improvements:

1. All cells identifying infrastructure costs and shared delivery system costs are now customizable and include more rows for additional line items
2. A new column indicates which partner is expending the money for that line item (i.e., who is owed money from other partners)
3. If multiple partners are paying lease costs, identify them in separate rows
 - Example: Show Partner 1 lease costs in one row, and Partner 2 lease costs in another row
4. Partners who pay lease costs directly to a vendor (rather than shared among partners) enter that cost as a non-cash contribution



FTE Commitment (Center 1)

This tab is to be completed with each partner's FTE commitment specific to this center.

Local Workforce Innovation Area:	
Cost Allocation Spreadsheets for PY: 2018	
For the Center Located in:	

		Required Partner FTEs Committed to Provide Onsite Program Services	Onsite FTEs Who Will be Cross-trained to Provide Program Services on Behalf of Another Partner				Total Onsite FTEs	Offsite FTEs Providing Program Services in the Center via Direct Linkage	TOTAL FTEs	
			Contributing Partner 1 Providing Services on Behalf of the Partner in Column B (If applicable)	FTEs Cross-trained to Provide Other Program Services	Contributing Partner 2 Providing Services on Behalf of the Partner in Column B (If applicable)	FTEs Cross-trained to Provide Other Program Services				
Commerce	Title IB - Adult, Youth, & Dis. Workers					-		-	Title IB - Adult, Youth, & Dis. Workers	Commerce
	TAA					-		-	TAA	
	CSBG					-		-	CSBG	
IDES	Title III - Wagner-Peyser					-		-	Title III - Wagner-Peyser	IDES
	Title III - MSFW					-		-	Title III - MSFW	
	Veterans Services					-		-	Veterans Services	
	UI Comp Programs					-		-	UI Comp Programs	
ICCB	TRA					-		-	TRA	ICCB
	Title II - Adult Education					-		-	Title II - Adult Education	
DHS	Career & Tech Ed - Perkins					-		-	Career & Tech Ed - Perkins	DHS
	Title IV - Vocational Rehab					-		-	Title IV - Vocational Rehab	
Aging	TANF - DHS					-		-	TANF - DHS	Aging
DOC	SCSEP					-		-	SCSEP	DOC
HUD	Second Chance					-		-	Second Chance	DOC
	HUD					-		-	HUD	
	Title IC - Job Corp					-		-	Title IC - Job Corp	
	Title ID - National Farmworkers					-		-	Title ID - National Farmworkers	
	Title ID - YouthBuild					-		-	Title ID - YouthBuild	
	Other 1					-		-	Other 1	
	Other 2					-		-	Other 2	
	Other 3					-		-	Other 3	
	Other 4					-		-	Other 4	
TOTAL - SHARED COST FTEs		-	-	-	-	-	-	-	-	



Total FTE Commitment (All)

This tab displays each partner's total FTE commitment across all service locations in the local area. This sheet will auto-populate with FTE Calculations for each center.

Local Workforce Innovation Area:	
Cost Allocation Spreadsheets for PY: 2018	
For the Center Located in: TOTAL - ALL CENTERS	

Sum of FTE Commitments Across All Service Locations		Required Partner FTEs Committed to Provide Onsite Program Services	Onsite FTEs Who Will be Cross-trained to Provide Program Services on Behalf of Another Partner				Total Onsite FTEs	Offsite FTEs Providing Program Services in the Center via Direct Linkage		TOTAL FTEs	
			Contributing Partner 1 Providing Services on Behalf of the Partner in Column B (If applicable)	FTEs Cross-trained to Provide Other Program Services	Contributing Partner 2 Providing Services on Behalf of the Partner in Column B (If applicable)	FTEs Cross-trained to Provide Other Program Services					
Commerce	Title IB - Adult, Youth, & Dis. Workers						-		-	Title IB - Adult, Youth, & Dis. Workers	Commerce
	TAA						-		-	TAA	
	CSBG						-		-	CSBG	
IDES	Title III - Wagner-Peyser						-		-	Title III - Wagner-Peyser	IDES
	Title III - MSFW						-		-	Title III - MSFW	
	Veterans Services						-		-	Veterans Services	
	UI Comp Programs						-		-	UI Comp Programs	
	TRA						-		-	TRA	
ICCB	Title II - Adult Education						-		-	Title II - Adult Education	ICCB
	Career & Tech Ed - Perkins						-		-	Career & Tech Ed - Perkins	
DHS	Title IV - Vocational Rehab						-		-	Title IV - Vocational Rehab	DHS
	TANF - DHS						-		-	TANF - DHS	
Aging	SCSEP						-		-	SCSEP	Aging
DOC	Second Chance						-		-	Second Chance	DOC
HUD							-		-	HUD	
	Title IC - Job Corp						-		-	Title IC - Job Corp	
	Title ID - National Farmworkers						-		-	Title ID - National Farmworkers	
	Title ID - YouthBuild						-		-	Title ID - YouthBuild	
	Other 1						-		-	Other 1	
	Other 2						-		-	Other 2	
	Other 3						-		-	Other 3	
	Other 4						-		-	Other 4	
TOTAL - SHARED COST FTEs		-	-	-	-	-	-	-	-	-	



Cost Allocation (Center 1)

Shared Infrastructure Costs FOR THIS CENTER

Shared Cost Category	Total Annual Budget	Partner Responsible for Payment (Payee)
Part 1: Comprehensive One-Stop Center SHARED INFRASTRUCTURE COSTS		
Methodology Used - FTE Staffing <input checked="" type="checkbox"/>		
If Other Methodology Used Define & Uncheck FTE box		
Facilities Costs	\$ -	
Property and Casualty Insurance	\$ -	
Security Services	\$ -	
Cleaning Services	\$ -	
Utilities	\$ -	
List Other Facilities Costs	\$ -	
List Other Facilities Costs	\$ -	
List Other Facilities Costs	\$ -	
List Other Facilities Costs	\$ -	
List Other Facilities Costs	\$ -	
List Other Facilities Costs	\$ -	
List Other Facilities Costs	\$ -	
Technology Costs	\$ -	
Telecommunications and Internet	\$ -	
Equipment and Technology Costs	\$ -	
Assistive Technology	\$ -	
List Other Technology Costs	\$ -	
List Other Technology Costs	\$ -	
List Other Technology Costs	\$ -	
List Other Technology Costs	\$ -	
List Other Technology Costs	\$ -	
List Other Technology Costs	\$ -	
Common Identifier Marketing Costs	\$ -	
Signage	\$ -	
List Other Common Identifier Costs	\$ -	
List Other Common Identifier Costs	\$ -	
List Other Common Identifier Costs	\$ -	
List Other Common Identifier Costs	\$ -	
List Other Common Identifier Costs	\$ -	
List Other Common Identifier Costs	\$ -	
Other Infrastructure Costs	\$ -	
List Other Infrastructure Costs	\$ -	
List Other Infrastructure Costs	\$ -	
List Other Infrastructure Costs	\$ -	
List Other Infrastructure Costs	\$ -	
List Other Infrastructure Costs	\$ -	
List Other Infrastructure Costs	\$ -	
Total, Shared Infrastructure Costs	\$ -	
Shared Infrastructure Cost per FTE	#DIV/0!	
Less Cash Contribution	\$ -	
Less Non-Cash Contribution	\$ -	
Less Third-Party In-Kind Contributions	\$ -	
Total	\$ -	13
Balance	\$ -	

New column for "Partner responsible for payment"

All line items can be edited

More rows available to customize your line items



Cost Allocation (Center 1)

Shared Delivery System Costs FOR THIS CENTER

Part 2: Local One-Stop	Total Annual Budget	Partner Responsible for Payment (Payee)
<u>SHARED DELIVERY SYSTEM COSTS FOR THIS CENTER</u>		

Methodology Used - FTE Staffing

Partner responsible for payment (payee)

Example of center-specific shared cost: resource room

You can customize center-specific system shared costs

Less other contributions specific to this center

Shared Services Costs Specific to this Center		
One-Stop Center Reception	\$	-
Resource Room Materials and Staffing	\$	-
One-Stop Operator (if shared among all partners for this center)	\$	-
List Allowable Cost Item Agreed To	\$	-
List Allowable Cost Item Agreed To	\$	-
List Allowable Cost Item Agreed To	\$	-
Total, Shared One Stop Delivery System Costs	\$	-
Delivery System Costs per FTE		#DIV/0!
Less Cash Contribution (specific to this center)	\$	-
Less Non-Cash Contribution (specific to this center)	\$	-
Less In-Kind Staffing (specific to this center)	\$	-
Less Contribution Toward One-Stop Operator Costs (Sum of All Center-Specific Contributions)	\$	-
Less Third-Party In-Kind Contributions (specific to this center)	\$	-
Total Contributions (specific to this center)	\$	-
Balance	\$	-



Cost Allocation (Center 1)

Shared Delivery System Costs FOR THIS CENTER

Notes on cost allocation methodology if not FTE:

Notes on cost allocation methodology if not FTE

Notes on partner responsible for payment (payee):

Notes on partner responsible for payment (payee)

Notes on one-stop operator:

Notes on one-stop operator

Less Contribution Toward One-Stop Operator Costs

Notes on non-cash and third-party contributions:

Notes on non-cash and third-party contributions

Other notes:

Other notes



Shared System Costs (All)

Shared Delivery System Costs that Apply to Entire LWIA

Shared Cost Category	Total Annual Budget	Partner Responsible for Payment (Payee)
Part 2: SHARED DELIVERY SYSTEM COSTS Total Shared Delivery System Costs that are center-specific (This section will automatically populate center-specific delivery system costs identified in each Shared Cost Center tab)		
Methodology Used - FTE Staffing		
If Other Methodology Used Define & Uncheck FTE box		
Total	\$ -	
One-Stop Center Reception	\$ -	
Resource Room Materials and Staffing	\$ -	
One-Stop Operator (Sum of all center-specific costs)	\$ -	
List Allowable Cost Item Agreed To	\$ -	
List Allowable Cost Item Agreed To	\$ -	
List Allowable Cost Item Agreed To	\$ -	
Total, Shared One Stop Delivery System Costs All Centers	\$ -	
Delivery System Costs per FTE	#DIV/0!	
Less Cash Contribution (Sum of All Center-Specific Contributions)	\$ -	
Less Non-Cash Contribution (Sum of All Center-Specific Contributions)	\$ -	
Less In-Kind Staffing (Sum of All Center-Specific Contributions)	\$ -	
Less Contribution Toward One-Stop Operator Costs (Sum of All Center-Specific Contributions)	\$ -	
Less Third-Party In-Kind Contributions (Sum of All Center-Specific Contributions)	\$ -	
Total (Sum of All Center-Specific Contributions)	\$ -	
Balance	\$ -	16

Auto-populate from other tabs

Sum of center-specific OSO costs

Sum of center-specific shared system costs

Less center-specific other contributions in the local area



Manually enter shared system costs that apply to all centers in the local area

Sum of OSO costs that apply to all centers in the local area (not to one specific center)

Less other contributions that apply to all centers in the local area

Shared System Costs (All)		
Shared Delivery System Costs that Apply to Entire LWIA		
Part 2: SHARED DELIVERY SYSTEM COSTS Total, Shared One Stop Delivery Costs for the Local System NOT Charged to a Specific Center (Manually enter into the yellow cells of Column B the systemwide shared costs that are not charged to a specific center)	Total Annual Budget	Partner Responsible for Payment (Payee)
Costs Related to Board Functions	\$ -	
Staffing Salary, Benefits, and Other Expenses	\$ -	
Board Meeting Costs	\$ -	
Audit Costs of Incorporated Boards	\$ -	
Errors and Omission Insurance	\$ -	
Costs Associated with Marketing Services	\$ -	
Costs of Strategic Data Gathering	\$ -	
List Other Costs Related to Board Functions	\$ -	
List Other Costs Related to Board Functions	\$ -	
List Other Costs Related to Board Functions	\$ -	
List Other Costs Related to Board Functions	\$ -	
List Other Costs Related to Board Functions	\$ -	
List Other Costs Related to Board Functions	\$ -	
Costs to Promote Service Integration	\$ -	
Joint Staff Training	\$ -	
Customer Satisfaction Measurement	\$ -	
Business Services	\$ -	
One-Stop Center Reception	\$ -	
Resource Room Materials and Staffing	\$ -	
One-Stop Operator (Sum of shared costs not associated with a specific center)	\$ -	
List Other Costs to Promote Integration	\$ -	
List Other Costs to Promote Integration	\$ -	
List Other Costs to Promote Integration	\$ -	
List Other Costs to Promote Integration	\$ -	
List Other Costs to Promote Integration	\$ -	
Total, Shared One Stop Delivery Costs for the Local System NOT Charged to a Specific Center	\$ -	
Delivery System Costs per FTE	#DIV/0!	
Less Cash Contribution (Not applied to a specific center)	\$ -	
Less Non-Cash Contribution (Not applied to a specific center)	\$ -	
Less In-Kind Staffing (Not applied to a specific center)	\$ -	
Less Contribution Toward One-Stop Operator Costs (Not applied to a specific center)	\$ -	
Less Third-Party In-Kind Contributions (Not applied to a specific center)	\$ -	
Total		
Balance	\$ -	

Review of One-Stop Operating Budget Concepts

1. One-stop operating budget includes one tab for each service location
 - Every comprehensive one-stop center gets its own tab
 - Every affiliate or specialized center gets its own tab
2. Shared delivery system costs are split into two categories
 - Delivery system costs specific to that location (e.g., resource room specialist)
 - Delivery system costs spread across all locations in the LWIA (e.g., board staff costs)
3. Partners will make FTE commitments for each service location
4. One-stop operator costs must be reflected as either a shared cost or a contribution toward the one-stop operator

Revised MOU Section 12, Budget Narrative

“In the space below and following the Governor’s Guidelines – Revision 2 and Supplemental Guidance for PY 2018, provide the following narrative:”

NEW DOT POINTS OF REQUIRED CONTENT IN MOU NARRATIVE:

- ✓ *Pending additional State or Federal policy or guidance about affiliate and specialized centers, affirm in the narrative that each required partner meets the minimum FTE commitment of .25 FTEs in each comprehensive one-stop center and each designated affiliate or specialized site.*
 - ✓ *If a required partner commits to less than .25 FTEs in any service location, then provide a rationale in the narrative and state the agreed-upon FTE commitment, which will be reviewed at the State level on a case-by-case basis.*

MOU Template – Revised Section 12 (narrative cont.)

OTHER NEW DOT POINTS OF REQUIRED CONTENT IN THE NARRATIVE:

- ✓ *Describe in the narrative the purpose and source of any non-cash contributions, third-party in-kind contributions and contributions toward the one-stop operator to align with the one-stop operating budget.*
- ✓ *Affirm in the narrative that the local workforce board will ensure that a designated entity will reconcile budgeted to actual shared costs in the one-stop operating budget at least semi-annually.*
 - ✓ *Specify how frequently reconciliation of budgeted to actual costs will occur, and*
 - ✓ *Specify the entity designated by the local workforce board chair responsible for conducting the reconciliation.*
- ✓ *Complete an “Outcome Report for Annual Budget Negotiations for PY18,” and submit the completed form with a draft One-stop operating budget to the individual designated by the Governor by April 15, 2018.”*
- ✓ *Submit a signed amended MOU with final One-stop operating budget by 6/30/18.*

New Outcome Report of Annual Budget Negotiations for PY 2018

ATTACHMENT 3
OUTCOME REPORT OF ANNUAL BUDGET NEGOTIATIONS FOR PY 2018 (SFY 2019)

Local Workforce Innovation Area: _____

Notice is provided to the Governor as required by 20 CFR 678.725 that required partners in this local area have reached agreement on an annual one-stop operating budget, including how infrastructure costs will be funded for each service location for the year beginning July 1, 2018.

OR

Notice is provided to the Governor as required by 20 CFR 678.725 that, despite every effort, required partners in this local area did not reach agreement on an annual one-stop operating budget for the period beginning July 1, 2018.

Select which reason for disagreement applies.

Failure to agree for reasons other than infrastructure costs

Listed below are the program partners that did not agree and a summary of the main reasons for their inability to agree.

Program Partner Name	Reasons
1. <input type="checkbox"/>	<input type="checkbox"/>
2. <input type="checkbox"/>	<input type="checkbox"/>

Failure to agree on the Infrastructure Funding Agreement for a service location

The inability to reach agreement is because one or more partners do not agree with the Infrastructure Funding Agreement specific to a service location for the program year beginning July 1, 2018. Listed below are the program partners that did not agree to the budget for shared infrastructure costs, the applicable service location, and a summary of the reasons for their inability to agree.

Program Partner Name	Reasons
1. <input type="checkbox"/>	<input type="checkbox"/>
2. <input type="checkbox"/>	<input type="checkbox"/>

Failure to agree on how infrastructure costs in the agreed-upon budget are allocated among partners

The inability to reach agreement is because one or more partners do not agree with the infrastructure costs being allocated to them for a particular service location for the program year beginning July 1, 2018. Listed below are the program partners that did not agree to their allocation of infrastructure costs, the applicable service location, and a summary of the reasons for their inability to agree.

Program Partner Name	Reasons
1. <input type="checkbox"/>	<input type="checkbox"/>
2. <input type="checkbox"/>	<input type="checkbox"/>
3. <input type="checkbox"/>	<input type="checkbox"/>

Signatures:

Chair, Local Workforce Innovation Board

Chief Elected Official

Chief Elected Official

Chief Elected Official

Chief Elected Official

A completed and signed copy of this OUTCOME REPORT FOR ANNUAL BUDGET NEGOTIATIONS FOR PY18 and a draft one-stop operating budget must be submitted by April 15, 2018 to:

Michael Baker
Manager – Strategic Planning & Innovation
Office of Employment & Training
Illinois Department of Commerce and Economic Opportunity
wioaplans-mous@illinoisworknet.com
O: 217-558-6423

Review of MOU Template Changes

1. Affirm in the narrative that each required partner meets the minimum FTE commitment of .25 FTEs in each service location
2. Describe in the narrative the purpose and source of any non-cash contributions, third-party in-kind contributions and contributions toward the one-stop operator to align with the one-stop operating budget
3. Affirm in the narrative that the local workforce board will ensure that a designated entity will reconcile budgeted to actual shared costs in the one-stop operating budget at least semi-annually
4. Complete an “Outcome Report for Annual Budget Negotiations for PY18,” and submit the completed form with a draft One-stop operating budget
5. “Parties to the MOU” is revised to affirm that each required partner should list the entity (i.e., partner agency) administering the program
6. Section 4 “MOU Development” is revised to include a statement that all required partners agree to the content of the MOU and the annual budget

Reconciliation of Budgeted to Actual Shared Costs for PY 2017

Background:

- [TEGL 17-16](#): the “one-stop operating budget must be **periodically reconciled** against actual costs incurred and adjusted accordingly.”
- Budgeted to actual costs must be reconciled for **both infrastructure costs and for local service delivery system costs**.
- The *purpose* of reconciliation is to ensure the one-stop operating budget “reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner **in proportion to the partner’s use of the one-stop center and relative benefit received.**”

General Process of Reconciliation

See “Handbook for Conducting Periodic Reconciliation for PY 2017”

<https://www.illinoisworknet.com/WIOA/Resources/Pages/Public-Documents.aspx>

1. Local Workforce Board Chair determines the frequency of reconciliation in the local area.
2. Local Workforce Board Chair identifies the individual responsible for performing reconciliation in the local area.
3. The individual responsible for reconciliation develops a process for identifying actual costs at the end of each reconciliation period.

Timeline – Frequency of Reconciliation

- **Reconciliation in Illinois must occur at least semi-annually.**
 - The Local Workforce Board Chair determines the frequency of reconciliation.
 - Must be at least semi-annually.
 - Can be more frequent (e.g., quarterly).

- Source: “Governor’s Guidelines – Supplemental Guidance for PY 2018 and PY 2017 Reconciliation,” page 4

Timeline – Definitions

Reconciliation period – the time between the one-stop operating budget’s effective date and the quarterly or six-month period in which costs are incurred

Semi-annual reconciliation periods:
July 1, 2017 – December 31, 2017
January 1, 2018 – June 30, 2018

Reconciliation process – the process of reconciling budgeted to actual costs incurred during the reconciliation period

The reconciliation process starts after the end of the reconciliation period. Payments of additional amounts owed are generally paid within 60 calendar days of the end of the reconciliation period.



Reconciliation questions from the WIOA Wednesday Webinar, 1/31/18

WIOA Frequently Asked Questions: “MOU – Budget Reconciliation”

<https://www.illinoisworknet.com/WIOA/Resources/Pages/Advisory-Group-FAQ.aspx>

Q: If the one-stop operator invoices required partners for actual costs as bills come in, does the local area still need to perform the periodic reconciliation using the Reconciliation Spreadsheet?

A: If actual costs are billed to required partners as costs are incurred throughout the program year, then the process of reconciling budgeted to actual cost would not be necessary. The invoices of actual amounts already account for any variances between budgeted and actual costs shared among partners.



Reconciliation questions from the WIOA Wednesday Webinar, 1/31/18

WIOA Frequently Asked Questions: “MOU – Budget Reconciliation”

<https://www.illinoisworknet.com/WIOA/Resources/Pages/Advisory-Group-FAQ.aspx>

Q: Even if the one-stop operator invoices required partners for actual costs as they come in, does the one-stop operator also need to complete the “Matrix of Benefits Received by Partner?” What is the purpose of the “Matrix of Benefits Received by Partner?”

A: The reconciliation process is intended to ensure partners’ share of the costs of the one-stop center is proportionate to the benefit they receive by providing services in that service location. Even if the reconciliation is not performed because actual costs are billed to partners as costs are incurred, required partners still need to demonstrate that their share of the costs are proportionate to the benefit they receive. The Sample Matrix of Benefits Received by Partner is one way to demonstrate each partner’s benefits received. The local area may identify other ways to demonstrate that costs are shared proportionately to the benefits received by partner, but it should be documented.



Reconciliation questions from the WIOA Wednesday Webinar, 1/31/18

WIOA Frequently Asked Questions: “MOU – Budget Reconciliation”

<https://www.illinoisworknet.com/WIOA/Resources/Pages/Advisory-Group-FAQ.aspx>

Q: Are individuals responsible for reconciliation required to submit the completed Reconciliation Spreadsheet and the completed Matrix of Benefits Received by Partner to the WIOA Interagency Work Group?

A: No. There is no requirement to submit the Reconciliation Spreadsheet or Matrix of Benefits Received by Partner. Reconciliation is a local process.

The “Handbook for Conducting Periodic Reconciliation” in PY 2017 provides guidance that if any local area needs to request technical assistance or cannot reach agreement under the process agreed upon in Section 13 of the local MOU, then the individual responsible for reconciliation should provide to Michael Baker at Commerce, wioaplans-mous@illinoisworknet.com, a report signed by the local workforce board chair with justification for non-payment or disagreement.



Reconciliation questions from the WIOA Wednesday Webinar, 1/31/18

WIOA Frequently Asked Questions: “MOU – Budget Reconciliation”

<https://www.illinoisworknet.com/WIOA/Resources/Pages/Advisory-Group-FAQ.aspx>

Q: What documentation is required to verify actual costs or to include in a Final Notice about additional amounts owed?

A: The “Handbook for Conducting Periodic Reconciliation” in PY 2017 does not require specific documentation. The individual responsible for performing reconciliation in the local area should develop the local process and documentation needed to verify actual costs in collaboration with the required partners that actually incur the expense of each line item in the budget.



Reconciliation questions from the WIOA Wednesday Webinar, 1/31/18

WIOA Frequently Asked Questions: “MOU – Budget Reconciliation”

<https://www.illinoisworknet.com/WIOA/Resources/Pages/Advisory-Group-FAQ.aspx>

Q: Does the threshold for whether a line-item variance requires an MOU/budget amendment also apply when actual costs come in significantly less than budgeted costs.

A: No. The threshold for whether a significant line item variance warrants a full MOU/budget agreement only applies when actual costs exceed the budgeted amount by 15% *and* account for 10% of the total budget.

If actual costs are significantly less than budgeted, then an MOU/budget amendment is not required. Partners can simply receive a credit as part of the reconciliation process.



Questions

- Thank you