



Financial Accounting, Reporting, Audit Reports and Resolutions
Effective Date: January 1, 2018

Purpose:

The Northern Middle TN Workforce Board, Inc. (NMTWB) establishes the following policy in order to:

1. Achieve accurate, current and complete accounting and disclosure of financial results of each award in accordance with financial reporting requirements, monitoring and program reporting requirements.
2. Outline audit reporting and resolution responsibilities

Background:

In order to assist in administration of grant funds, the fiscal agent's defined roles and responsibilities include the following functions:

1. Receive Funds
2. Ensure sustained fiscal integrity and accountability for expenditures of funds in accordance with OMB circulars, WIOA and corresponding Federal and State policies.
3. Respond to financial audit findings.
4. Maintain proper accounting records and adequate documentation.
5. Prepare financial reports.
6. Provide technical assistance to subrecipients regarding fiscal issues.
7. Other duties as required by direction of the CLEOs or Workforce Board.

Resources:

TDLWD Supplementary Financial Guide to the One-Stop Comprehensive Financial Management Technical Assistance Guide
State of Tennessee Comptroller's Audit Manual
2 CFR 200.302; 200.327-328
20 CFR 683.420

Policy:

A. Accounting Systems

Accounting systems shall meet and follow generally accepted accounting principles. Accounting systems will provide periodic data and tracking on accruals, obligations, expenditures, status of cash advances, and total disbursements. Source documentation

must support records. Records will identify adequately the source and application of funds for federally-funded activities. Procedures should be updated to properly track match, leveraged resources, program income and indirect costs to ensure timely collection and accurate submission of required reports. The accounting system should generate the necessary financial reports and financial statements needed for required annual financial reports, Single Audit, Cost Allocation Plan, and/or Indirect Cost Rate proposals as necessary.

B. Subrecipient Accounting Systems

Subgrantee accounting systems should adhere to TDLWD requirements pertinent to program awards. Procedures should exist and be updated to collect and summarize financial data from sub recipients in order to meet Department of Labor and other financial reporting deadlines. (Refer to Subrecipient Management and Oversight Policy)

C. Financial Guidance

NMTWB will comply with TDLWD policies and provisions outlined in the TDLWD Supplementary Financial Guide as amended and as applicable, including:

- Contract Payment Methods and Financial Reporting
- Withholding of Payment
- Financial Management
- Property Procurement and Accountability
- Audit
- Closeout

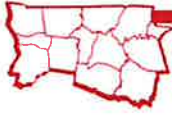
D. Identification of Federal Awards

There shall be identification of all Federal awards received and expended and the Federal programs under which they were received. Program and award identification must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.

E. Independent Audit, Reports and Resolution

The primary purpose of the audit is to determine if financial statements are presented fairly and comply with requirements of laws, regulations and grant contracts. Additionally, an audit can serve as a means of preventing and detecting fraud, dishonesty, or an unintentional misapplication of funds.

NMTWB staff will be responsible for the preparation of financial statements and disclosures to be audited. NMTWB staff will administratively coordinate the audit process in compliance with required policies and provisions. Financial audit results will



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be presented to NMTWB to assist the Board in assessing financial condition and future decisions. An audit may identify problems and recommend corrective action. NMTWB's Budget Committee, will provide oversight to ensure that any problems identified in an audit are addressed and corrective action is taken on a timely basis. Corrective action will be reported to the NMTWB.

CONTACT:

For any questions related to this policy please contact Ginger Fussell, Fiscal Director at gfussell@workforceessentials.com.

Effective Date: January 1, 2018

Updated: July 1, 2019; June 1, 2020

Duration: Indefinite

A handwritten signature in blue ink, reading "Marla Rye", is written over a horizontal line.

Marla Rye, Executive Director
Northern Middle TN LWDB