

West Virginia State Workforce Development Board

Policy Area: Local and Regional Governance

Title of Policy: Designation and Duties of Local Fiscal Agent

Number: 200-05

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Approved by: WV State Workforce Development Board

Revision Date:

I. Purpose

This issuance provides a policy and procedures for designating a local fiscal agent and outlines the duties of a local fiscal agent under the Workforce Innovation and Opportunity Act (WIOA). It also incorporates West Virginia (WV) purchasing procedures and procurement processes to ensure compliance with state and federal regulations.

II. Summary

The Workforce Innovation and Opportunity Act (Pub. L. 113-128) states that local fiscal agents are responsible for: receiving funds, ensuring fiscal accountability, responding to audit findings, maintaining records, preparing reports, and providing technical assistance to subrecipients. The WIOA Final Rule describes and defines the role of the local fiscal agent when the Chief Local Elected Official (CLEO) in a local area designates a fiscal agent. This policy aligns with WV purchasing procedures and procurement processes to ensure fiscal integrity and accountability.

III. References

- Workforce Innovation and Opportunity Act (Pub. L. 113-128)
- United States Department of Labor, *Workforce Innovation and Opportunity Act; Final Rule*, 20 CFR, Part 679, Subpart B, Workforce Innovation and Opportunity Act Local Governance
- Training and Employment Notice No. 05-14, *Workforce Innovation and Opportunity Act Announcement and Initial Informational Resources*
- Training and Guidance Letter No. 19-14, *Vision for the Workforce System and Initial Implementation of the Workforce Innovation and Opportunity Act of 2014*
- West Virginia Code, §5B-2B-4 *West Virginia Workforce Investment Act*
- West Virginia Code § 6B-1 *West Virginia Governmental Ethics Act*
- West Virginia Code §5A-3 *State Purchasing Division*
- West Virginia Purchasing Division Handbook
- West Virginia Code of State Rules Title 148, Series 1 (*Purchasing Rules*)

IV. Policy

Each CLEO in a local workforce development area may designate a fiscal agent to provide the functions as outlined in federal and state law and this issuance. If the Governor serves as a local grant recipient for a local workforce development area, then the Governor may designate a fiscal agent. **Designation of a fiscal agent does not relieve the CLEO or Governor of liability for the misuse of grant funds.**

The role of a fiscal agent shall include the following duties:

- Receive funds
- Ensure sustained fiscal integrity and accountability for expenditures of funds (in accordance with Office of Management and Budget (OMB) Uniform Guidance, WIOA, and the corresponding federal regulations and state law and policies)
- Respond to audit findings
- Maintain proper accounting records and adequate documentation
- Prepare financial reports
- Provide technical assistance to subrecipients regarding fiscal issues
- Ensure compliance with WV purchasing procedures and procurement processes

The role of a fiscal agent may include the following duties as designated by the CLEO:

- Procure contracts or obtain written agreements
- Conduct financial monitoring of service providers
- Ensure independent audits of all employment and training programs

If an organization functions simultaneously in a variety of roles, including local fiscal agent, Local Workforce Development Board (Local Board) staff, one-stop operator, and/or direct provider of career services or training services, then a written agreement with the Local Board and CLEO must be executed to clarify how the organization will carry out its responsibilities. Such responsibilities shall be in compliance with the WIOA statute and corresponding regulations, relevant Office of Management and Budget Uniform Guidance requirements, and West Virginia state conflict of interest laws and policies.

V. Procedures

A local workforce development area that designates a fiscal agent shall indicate such through local workforce development plan submitted to WorkForce West Virginia (WFWV). The local plan shall outline the duties of the local fiscal agent and how appropriate financial procedures and firewalls are in place.

The procurement of contracts and purchasing of goods and services must adhere to the following WV purchasing procedures:

- Fiscal agents must comply with WV Code §5A-3 and the WV Purchasing Division Handbook

- Competitive bidding is required for procurements exceeding the small purchase threshold as outlined in WV Code of State Rules Title 148, Series 1
- Sole-source procurements must be justified and documented per WV purchasing rules
- Contracts and agreements must be reviewed for compliance with federal and state procurement policies before execution
- Regular performance evaluations and financial monitoring must be conducted to ensure compliance with all applicable regulations

In particular, if an entity is serving as the fiscal agent and another role (such as Local Board or service provider), the local plan shall detail how appropriate controls are in place to maintain the integrity of funds.

Finally, the local plan shall outline the standards, processes, or performance measures that the Local Board shall use to evaluate local fiscal agent performance while ensuring adherence to WV procurement processes and purchasing requirements.