



Workforce System Directive Authority to Transfer Funds

Effective Date of Policy: 1/19/24

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Approved By: Trae Rahill, Chief Executive Officer

Approved by Governor's Council for Workforce and Economic Development: 01/19/2024

STAKEHOLDERS:

- Chief Local Elected Officials
- Workforce Development Board Chairs
- Workforce Development Board Staff
- Designated Fiscal Agent Staff
- Oklahoma Career Tech
- Oklahoma Rehabilitation Services
- Wagner Peyser

REFERENCES:

- [Workforce Innovation and Opportunity Act](#)
- [20 CFR Part 677](#)
- [20 CFR Part 683](#)

PURPOSE: The Oklahoma Employment Security Commission (OESC) is the Governor's chosen administrative entity for funding awarded in accordance, or associated, with the Workforce Innovation and Opportunity Act (WIOA). OESC provides this issuance as guidance for Local Workforce Development Boards (LWDBs) related to the administration of employment and training activities as required by WIOA.

MESSAGE: WIOA allows LWDBs to transfer funds between the adult employment and training allocation and the dislocated worker employment and training allocation. 20 CFR 683.130 gives LWDBs the authority to transfer up to 100 percent of a program year allocation for adult employment and training activities, and up to 100 percent of a program year allocation for dislocated worker employment and training activities between the two programs. WIOA requires the Governor to establish criteria and factors for transfers and LWDBs must obtain

written approval from the Governor prior to making any transfer previously described.

INSTRUCTIONS:

As the Governor's designated administrative entity, requests to transfer funds between programs must be submitted to, and approvals will come from OESC. Requests will be denied unless submitted following the guidance below.

Process and Procedures

A LWDB must submit their Transfer of Funds Request via email to the OESC Executive Director and Deputy Director. Current email addresses for these individuals may be found on the Oklahoma Works website: <https://oklahoma.gov/workforce.html>. Requests will be routed for approval to the Director of Programs, or their designated staff member, and to the Director of Fiscal Compliance and Operations, or their designated staff member. OESC will review the LWDB's rationale for transfer and supporting documentation submitted with the request. Additionally, the conditions for approval must be met. OESC has the authority to approve the request, as is, approve a partial transfer, and deny the request. If approved, OESC will provide the LWDB with written approval within 15 days. Denials will also be provided within 15 days.

The Transfer of Funds Request will be made available to LWDBs via Memorandum. Updates will be made when necessary and OESC will ensure LWDBs have access to the most current version at all times.

Conditions for Approval

- LWDBs may not transfer funds to or from the youth program.
- Transfers must be approved by the LWDB and documented in board meeting, or executive committee meeting, minutes.
 - Requests may be submitted prior to board approval with the date and time of the upcoming board or executive committee meeting. If requests are submitted without prior approval, OESC will approve or deny pending the submission of the required meeting minutes.
- Participants served with transferred funds will be subject to performance outcomes of the new funding source.
- All transferred funds are subject to priority of service requirements.

Rationale and Supporting Documentation

Rationale for the transfer must be submitted with the Transfer of Funds Request. The rationale must address the following:

1. Proposed services and a description of the participants affected.
2. Justification that the funds will not negatively impact services to participants.
3. If requesting a transfer from Dislocated Worker to Adult, an assessment of historical and potential WARN events and layoffs, including how the LWDB will provide services if a WARN or mass layoff occurs after the transfer; and
4. A description of strategies attempted to serve clients prior to requesting a transfer.

The Transfer of Funds Requests requires the submission of performance, financial, and programmatic data. Supporting documentation must be provided for each category provided on the Transfer of Funds Request. Supporting documentation may include, but is not limited to:

- Certified Quarterly Reports.
- Reports downloaded/exported from the state's case management system.
- Historical performance and program data organized in a table.
- 9130 quarterly reports.
- Approved Expenditure Reports and/or Cash Advances downloaded/exported from the state's grant management system.
- Copies of applicable Notice of Award.
- Financial data organized in a table.
- Etc.

The format of the rationale is at the discretion of the LWDB and LWDBs must provide supporting documentation accordingly. In the review, OESC may request additional documentation or perform their own analysis to verify the information submitted.

Record Keeping and Reporting

LWBs should keep a copy of their request and approval with their financial records. LWDBs must work with their Fiscal Agents to ensure accounting records properly demonstrate transfers and properly report expenditures allocated to transferred funds. OESC recommends the following actions for LWDBs and their Fiscal Agents in order to properly account for transferred funds:

- Create a journal entry within the original funding stream showing the transfer/expense in the full amount.
- Establish a "Transfer" code in the chart of accounts; and
- Establish account codes specific to expenditures paid with transferred funds.

LWDBs must include transferred funds expended on their monthly expenditure reports. If dislocated worker funds are spent on adult employment and training activities, the amount for

each month must be submitted to OESC. The same is true if adult funds are spent on dislocated worker activities. Expenditure reports are submitted by the Fiscal Agents in the state's grant management system.

If a LWDB is not able to properly account for transferred funds, future requests may be denied by OESC. If a LWDB does not report transferred funds expenditures appropriately, future requests may be denied by OESC.

EQUAL OPPORTUNITY AND NONDISCRIMINATION STATEMENT: All Recipients, and Sub-recipients/Sub-grantees must comply with WIOA's Equal Opportunity and Nondiscrimination provisions which prohibit discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, political affiliation or belief, or, for beneficiaries, applicants, and participants only, on the basis of citizenship status or participation in a WIOA Title-I financially assisted program or activity.

ACTION REQUIRED: This Workforce System Directive (WSD) is to become a part of your permanent records and made available to appropriate staff and sub-recipients.

INQUIRY: If you have any questions or concerns regarding issuance, please email WorkforceServices.Inquiry@oesc.ok.gov.