



LOS ANGELES COUNTY

WIA Adult and Dislocated Worker Program, Summer Youth
Employment Program

DIRECTIVE

Number: WIA/ARRA ADMD09-01

Subject: Workforce Investment Act (WIA) /American
Recovery and Reinvestment Act (ARRA)
Cash Advance Policy

Date: September 1, 2009

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Purpose:

The Los Angeles County Workforce Investment Area (LACWIA) operates its Workforce Investment Act (WIA) system on a cost reimbursement basis. This policy reflects the cash advance policy for the WIA American Recovery and Reinvestment Act (ARRA) WIA Adult and Dislocated Worker (ADW) Program and the WIA American Recovery and Reinvestment Act (ARRA) Summer Youth Employment Program (SYSP).

Cash advances assist service providers in meeting substantial, rapid expansions of current or new services, and for the execution of one-time, short-term programs requiring a large infusion of funds.

With the nation's current credit market, service providers cannot access additional credit lines as easily as in the past. Therefore, the ADW service providers are asking for cash advances on the ARRA portion of their funding.

The ARRA SYEP program is expected to significantly multiply summer youth participant employment and payroll costs. This policy enables service providers to utilize cash advances to meet immediate, increased participant payroll costs.

Eligibility To Receive A Cash Advance:

A service provider may request a cash advance payment by written correspondence (email or delivered letter). Before a cash advance is issued, the LACWIA will:

- Review the service provider's independent audit report and single audit (if available) for going concerns, qualifications, or other issues.
- Review the service provider's financial status by evaluating the service provider's net worth, operating income, available cash and current assets compared to current liabilities.
- Consider the service provider's prior contracting history with CSS.

Approval Of A Cash Advance:

Upon receipt of a cash advance request, the LACWIA will evaluate a service provider's eligibility for a cash advance based on the criteria stated above. Failure to meet the criteria stated above will be grounds for the LACWIA's denial of a request for cash advance.

Only ARRA SYEP services provided from May 1, 2009 through September 30, 2009 are eligible for cash advances.

Amount Of Cash Advance:

A service provider may receive an initial cash advance payment equivalent to one month's estimated costs. The actual amount may be adjusted lower at the discretion of the LACWIA Director in consideration of outstanding factors.

Cash Advance Requests:

Requests for a cash advance should be sent to the following address or emailed to: cdomingo@css.lacounty.gov.

Carol Domingo, Program Manager
Contract Management Division, 4th Floor
3175 West 6th Street
Los Angeles, CA 90020

Invoices:

Service providers are to submit one invoice for each month of service. Each invoice is to state the total cost incurred for a month. The attached "Advance Accounting Form" must be filed for each invoice.

ADW Contractors:

For each of the first six months of service, the service provider will receive payment equivalent to the month's total invoice; the purpose of these payments are to replenish and maintain sufficient funding to support immediate and current operations. Service providers should strive for accurate invoices to ensure they receive and maintain adequate funds.

SYEP Contractors:

For each of the first three months of service, the service provider will receive payment equivalent to the month's total invoice; the purpose of these payments are to replenish and maintain sufficient funding to support immediate and current operations. Service providers should strive for accurate invoices to ensure they receive and maintain adequate funds.

Repayment Of Cash Advance:

ADW Contractors:

Upon receipt of the January 2010 invoice, LACWIA will begin to recoup the cash advance. The cash advance will be subtracted from the January invoice, and any remaining balance will be applied to the subsequent invoice(s) until fully offset. Any remaining cash advance balance after the final invoice has been processed is to be remitted to LACWIA within 30 calendar days. Failure to remit the cash advance balance will result in suspension of payments for subsequent

months of service; LACWIA must receive these funds prior to processing any subsequent month's invoice.

SYEP Contractors:

Upon the August invoice, LACWIA will begin to recoup the cash advance. The cash advance will be subtracted from the August invoice, and any remaining balance will be applied to the September invoice. Any remaining cash advance balance after the final September invoice has been processed is to be remitted to LACWIA within 30 calendar days. Failure to remit the cash advance balance will result in suspension of payments for subsequent months of service; LACWIA must receive these funds prior to processing any subsequent month's invoice.

Interest:

Cash advances are to be maintained in a separate FDIC-insured, interest-bearing accounts(s). The earned interest is to be returned to LACWIA. Service providers are to remit the interest to LACWIA within 30 calendar days after the cash advance balance is fully offset and collected. Failure to remit any earned interest will result in suspension of payments for subsequent months of service; LACWIA must receive these funds prior to processing any subsequent month's invoice.

Remittance Of Interest Income:

Any interest earned on cash advances should be sent to the following address:

Community and Senior Services
Revenue Management
3175 West 6th Street, Room 205
Los Angeles, CA 90020
Attention: An Duong

Payment must be on a bank check payable to Community and Senior Services. Please write "Interest Income" and the contract number on the check.

Effective Date:

This directive is effective as follows:

SYEP Contractors – June 2, 2009
ADW Contractors- July 1, 2009

Inquiries:

Inquiries regarding this directive and the policies and procedures described herein should be directed to your assigned contract analyst.

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Carol Domingo, Program Manager
Contract Management Division

Los Angeles County Workforce Investment Area
Expenditure Management
Room 205
3175 West Sixth Street
Los Angeles, CA 90020
ATTN: Kathye Pouncey

Advance Accounting Form

A. Service Provider: _____ D. Date _____
B. Agreement No: _____
C. Month of Service. _____

	Totals
1. YTD Cash Received	_____ -
2. Less: Prior YTD Reimbursed Costs	_____ -
3. Less: Current Month Invoice	_____ -
4. Ending Cash Balance	_____ -
5. YTD Interest	_____ -

I certify that to the best of my knowledge and belief, the information provided herein is accordance with the conditions of the provider agreement and applicable policies and directives.

Signature of Authorized Person Date

1. Total funds *received* for cash advance(s) and for reimbursement of costs
2. Total funds *received* for reimbursement of costs; exclude costs for month of service
3. Total amount for the current invoice being submitted
4. Subtract Lines 2 and 3 from Line 1
5. Total interest earned for cash advance accounts