

North Central Workforce Development Area

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LOCAL DIRECTIVE

Directive #: <u>14-128</u> Date: <u>May 22, 2015</u>
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TO: SkillSource Staff and IB Service Providers

FROM: Dave Petersen, Executive Director

SUBJECT: Transfer of Funds between Workforce Investment Adult & Dislocated Worker Programs

Background

Federal policy permits local Areas to transfer up to 30% of a year's base allocation from Adult Program activities to Dislocated Worker Program activities or from Dislocated Worker to Adult subject to State approval. State Policy Number 3451, Revision 3 describes the process local Areas must follow to request State approval. This Directive outlines the local procedures followed by North Central to request State approval to transfer funds. The Area requests transfer approval when demand for a Program's services exceeds available resources and unobligated funds are available in another program without adversely affecting the other Program's customers.

Procedure

The Executive Director submits transfer requests to the State Grantor Agency, Employment Security Department for review and approval. The request addresses the criteria outlined in State Policy 3451. The request is typically drafted by the Area's Managing and Fiscal Directors after consulting with Service Delivery Managers. The Executive Director ordinarily communicates transfer requests (pending or approved) at the next quarters' committee and board meetings.

If approved by the State, Service Delivery Managers are directed to exceed budgeted expenditures in one Program while under expending in another. Transfers within the fiscal year will change total Program expenses but will not generally increase Overall budgeted expenses.

Transfers approved and implemented in one fiscal year often affect budgets in the following fiscal year by increasing carry over funds in one Program and decreasing carry over funds in the other. These increased or decreased carryover funds are added to new Program allocations to determine total funds available by Program. Total revenues and expenditures by Program are reviewed by subarea Committees as part of the annual budget preparation approval process. Committees are informed what portion of the budgeted revenue is new allocation and unexpended carry over.