



**Workforce Innovation and  
Opportunity Act Policy  
Employment System Administration and Policy**

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Washington envisions a nationally recognized fully integrated One-Stop system with enhanced customer access to program services, improved long-term employment outcomes for job seekers and consistent, high quality services to business customers. In order to achieve this vision, Employment System Administration and Policy sets a common direction and standards for Washington's WorkSource system through the development of WorkSource system policies, information memoranda, and technical assistance.

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**Policy Number:** 5205  
**To:** Washington WorkSource System  
**Effective Date:** July 1, 2015  
**Subject:** Cash Depositories

**1. Purpose:**

To provide standards for requesting, retention, and disbursement of Workforce Innovation and Opportunity Act (WIOA) funds.

**2. Background:**

The Local Workforce Development Boards (LWDBs) and other subrecipients must have systems in place to receive funds after reimbursement requests are submitted as required. The manner in which funds are to be requested, retained and disbursed are outlined below.

**3. Policy:**

**a. Eligibility Requirements-Cash Depositories**

The LWDBs and/or state subrecipients must deposit WIOA funds in the following financial institutions:

- i. A bank insured by the Federal Deposit Insurance Corporation (FDIC).
- ii. An institution insured by the Federal Savings and Loan Corporation.
- iii. A credit union insured by the administrator of the National Credit Union.

For governmental subrecipients with taxing authority, WIOA funds may be deposited with the subrecipient's treasurer.

**b. Use of Minority and/or Women-Owned Banks**

Consistent with the federal and state goal of expanding the opportunities for minorities and women-owned business enterprises, the LWDB Fiscal Agents and state subrecipients are encouraged to use minority and/or women-owned banks, under the proviso that the above eligibility requirements are met.

**c. Separate Bank Account**

A LWDB or state recipient will be required to maintain a separate insured, interest-bearing bank account. NOTE: Exceptions to this policy may be granted under certain conditions after application to, and approval by, Employment Security Department (ESD).

**d. Interest**

For WIOA Title I-B programs, interest is treated as Program Income, and should be accounted for as per Policy 5220 - Program Income. For reporting purposes interest is identified on the quarterly report forms submitted to ESD.

**e. Cash Balance**

The LWDB and state subrecipients will minimize the time elapsing between the receipt of WIOA funds and disbursement in order to maintain a minimum cash balance as per federal guidelines.

**f. Internal Controls**

The LWDB and state subrecipients must maintain an adequate system of internal control to safeguard cash according to Generally Accepted Accounting Principles (GAAP).

**g. Cash Requests**

- i. The LWDB and/or state subrecipient will request cash on a State of Washington Invoice Voucher, with supporting documentation that provides justification for the cash draw, timing each request to coincide with cash needs and assuring no excess cash is drawn.
- ii. Subrecipients requesting reimbursement on an Invoice Voucher will receive an Electronic Fund Transfer (EFT) to the bank chosen by the LWDB and/or state subrecipient on the next available EFT.

## **h. Withholding of Payment**

The state may discontinue the current cash needs payments when LWDB and/or state subrecipients:

- i. Do not follow payment requirements;
- ii. Fail to provide appropriate supporting documentation for a cash draw;
- iii. Fail to meet project objectives or grant/agreement conditions;
- iv. Are indebted to the State of Washington; and/or
- v. Use the cash reimbursement method with their subrecipients except for those subrecipients under a current correction action plan.

If any of above conditions exist, the state may withhold payment until the condition is corrected. The state will provide written notification to the LWDB Fiscal Agent and/or state subrecipient before withholding payment. The LWDB Fiscal Agent and/or state subrecipient has until the effective date on this notification to petition the state for reconsideration of action. The petition must be sent to:

Assistant Commissioner /Chief Financial Officer  
Employment Security Department  
Finance and Administrative Services Division  
P. O. Box 9046 - MS 6000  
Olympia, Washington 98507-9046

Upon consideration of this petition, the state will issue a final determination and notify the LWDB Fiscal Agent and/or state subrecipient.

## **4. Definitions:**

NA

## **5. References:**

All fiscal policies and guidance letters published for WIOA are governed, as appropriate, under:

- [Public Law 113-128](#)
- [2 CFR Part 200 Subpart D-Post Federal Award Requirements-Standards for Financial and Program Management](#)
- [One-Stop Compliance Financial Management Training Assistance Guide \(TAG\) issued July 2002](#)
- [Generally Accepted Accounting Principles \(GAAP\)](#)
- [29 CFR Part 97.20\( b\)\(7\)](#)
- [29 CFR Part 97.21](#)
- [31 CFR Part 205](#)

**6. Supersedes:**

NA

**7. Website:**

[http://www.wa.gov/esd/1stop/policies/wioa\\_title1.htm](http://www.wa.gov/esd/1stop/policies/wioa_title1.htm)

**8. Action:**

Local Workforce Development Boards and their contractors, as well as Employment Security Regional Directors, should distribute this policy broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

**9. Attachments:**

None.

**Direct Inquiries To:**

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**Direct Other Inquiries To:**

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