

ÁREA LOCAL
DE DESARROLLO LABORAL
MAYAGÜEZ / LAS MARÍAS

AmericanJobCenter®

ACCOUNTING AND FINANCE PROCEDURE MANUAL



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I. Title

This manual shall be known as the "***General Accounting and Finance Procedures Manual.***"

II. Introduction

The Accounting and Finance Procedures Manual has been revised to establish general rules to promote efficiency, uniformity, and sound administration of funds designated to the Mayagüez -Las Marías Local Workforce Development Area for compliance with WIOA.

III. Legal Basis

This Manual adopts and promulgates under the authority granted to the Board of Mayors and the Mayagüez - Las Marías Local Workforce Development Board in the Workforce Innovation and Opportunity Act (WIOA) of July 22, 2014, the regulations issued by the Federal Government for the administration and auditing of funds allocated by the Federal Government. Among them are the Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Final Rule, 2 CFR Part 200.301, 200.303. In addition, by the applicable laws and regulations promulgated by the State and Municipal Governments concerning the administration of the funds. Based thereon, it is also enacted by Act No. 107, "Municipal Code of Puerto Rico," of August 14, 2020, as amended, and by the Regulations for Municipal Administration as approved in 2008 and revised in 2016.

IV. Purpose

This manual establishes the general procedures to be followed by the Finance Department. It intends to provide guidelines and parameters that follow Generally Accepted Accounting Principles for Governmental Entities and, in turn, the regulations and requirements of State and Federal Laws, with emphasis on the Workforce Innovation and Opportunity Act (WIOA) Fund Administration.



V. Definitions

1. **Appropriations** - Maximum amount to which it is authorized to charge encumbrances and disbursements for a particular purpose as approved in the budget for that fiscal year and subsequent changes by amendments.
2. **Account Catalog** - List of accounts used by an entity.
3. **Account** - The acquisition of a good or service in exchange for the payment of money.
4. **Allowable Costs** -- The accrued expense for the subgrantee's activities and transactions that are consistent with Federal Law and Regulations, the approved proposal, the Delegation of Funds Contract, and the Administrative Memoranda issued or adopted by the Workforce Development Program (PDL in Spanish) or the agency designated by the Governor. These costs must be incurred within the term of the contract.
5. **Disbursements** - Any payment with WIOA funds, accounted for by the Service Delivery Area of the Mayagüez-Las Marias Local Workforce Development Area (ALDLMLM, in Spanish) through a duly authorized and approved payment voucher.
6. **Equipment** - Property with a market value greater than \$100.00 and a useful life of five (5) years or more. In the case of computer programming purchases, a value greater than \$200.00 will be used.
7. **Expenditures (expenses)** - Net decreases in financial resources resulting from acquiring goods and services during a specific period, regardless of whether they were consumed in the operating activities of the current program year.
8. **Accrued Expense** - The cost of goods and services received during the Delegation of Funds Agreement, whether or not they have been paid or invoiced.
9. **Lien (obligation)** - The total amount from purchase orders and contracts issued for which goods and services have not been received. The lien is canceled when the goods and services subject to the lien are received or when it is certain that such goods and services will not be received within the terms of the Delegation of Funds Agreement.
10. **Materials**—Effects, fixtures, or parts that ordinarily have a short life, which upon use lose their identity or form an integral part of other property or equipment, which are of relatively low value and cannot be considered equipment or property.
11. **Budget** - A rigorous projection of the cost of goods and services to be received during the Delegation of Funds Contract term that will be necessary and reasonable to carry out the allowable activities contemplated in the Proposal.
12. **Local Area** - Service Delivery Area (SDA) composed of Mayagüez and Las Marías municipalities.
13. **Paying Officer** - an officer or employee appointed by the Local Area Executive Director to make such disbursements as the Local Area makes in performing its duties.
14. **Fiscal Year** - 12-month period commencing July 1 and ending June 30.



15. **Participants** - The beneficiaries of WIOA-funded programs, activities, and services who receive payments from the Local Area for their participation.
16. **Individual Attendance Sheets** - The form that records the participant's weekly attendance at the program activity during the payment period.
17. **Invoice** - the request for payment received from the employer, institution, or contractor to the Local Area.
18. **Commercial Invoice** - The document on which a commercial enterprise requires payment for items or services sold to the Local Area. It must be identified with the letterhead or logo of the supplying company.
19. **Suppliers** - Commercial enterprises that sale items, services, and products used for the program's administration, selection, and outreach activities on training and employment programs.

VI. Organizational Structure - Finance and Budget Office

The Finance and Budget Office reports directly to the Executive Director through its Chief Financial Officer. The Director's primary duties and responsibilities include planning and directing all technical and administrative activities.

The Finance Area is primarily responsible for maintaining an effective accounting system to classify and record all transactions affecting the accounting of the Mayagüez - Las Marías Local Workforce Development Area.

The Finance and Budget Office shall consist of at least the following positions: finance director, budget analyst, preintervention officer, paying officer, purchasing officer, and property manager to carry out all its functions properly and efficiently.

VII. Budget Area Procedures

The Budget Analyst maintains the annual budget record as approved and delegated by the



Workforce Development Program. Once the Local Area receives approval of the work specification:

1. The Analyst shall record the budget for the fiscal year in the MIP.
2. Maintain budgetary control through encumbrances and segregate funds whenever funding requests are received from the Program Area.
 - a. This allows you to segregate funds for one purpose and identify the availability of funds for each subsequent budget line item.
3. Continually review the Encumbrance Budget Report during each funding request cycle to determine whether the budget needs to be modified.

VIII. Procedures - Disbursement and Payment Transactions

The Paying Officer is in charge of making all disbursements related to payments to suppliers, service providers, and participants, among others, complying with the following:

1. All disbursements must be documented appropriately using a Disbursement Voucher.
2. Disbursement vouchers must be authorized by the Executive Director or his Authorized Representative before posting.
3. The disbursement vouchers must be certified by the Director of the Finance Department or his Authorized Representative.
4. After the voucher is signed in all its parts, it is ready to issue a check or disbursement.
5. The Paying Officer must maintain a Check and/or Voucher Register.
6. The Paying Officer should affix all supporting documents to the disbursement voucher and proceed to file it.

IX. Property Management Procedures

The Property Manager shall maintain a detailed record of all Local Area assets in the Fas Gov



system, including the assigned property number, the specific location, and the personnel to whom such equipment was assigned. He/She shall:

1. Prepare a Certification for each employee, including the equipment assigned for their use.
2. Receive purchased equipment, register it in the system, and update the Certification.
3. Maintain a file that includes all tracking related to equipment and certifications.
 - a. Maintenance performed
 - b. Warranty claims
 - c. Insurance claims
 - d. Equipment decommissions.
4. Conduct and certify an annual inventory that includes all the Mayagüez - Las Marías Local Area property in his/her custody.

X. Pre-Intervention Procedures

The Pre-intervention Officer reviews all documentation of the disbursement vouchers corresponding to suppliers' and providers' invoicing and the participants' attendance sheets.

- A. **Suppliers and Vendors:** The pre-intervention officer shall verify the following items concerning supplier and vendor invoices:
1. Verify that all invoices describe the service provided by the supplier and are certified by the supplier. They must also include the proper inspection receipt by the Local Area and supporting documents such as proof of receipt and purchase order.
 2. In the case of suppliers, the invoice must be certified and contain the required supporting documents, such as certification of the list of participants, copies of certificates, achievement reports, and any other supporting documents as established in the contract.
 3. Invoices related to Individual Training Accounts must be certified by the Program Area and contain the semester enrollment and any other evidence as evidence.
 4. Invoices corresponding to On-the-Job Training (OJT) must include the invoice certification, monthly summary with assigned positions and respective signatures, evidence of attendance with hours worked and canceled checks, or evidence of direct deposit.
- B. **Attendance Sheets (Rosters) of Participants:** The pre-intervention officer is responsible for



verifying the following:

1. All timesheets must contain the time control sheet.
2. All timesheets must be identified by the Project and by the period covered (fortnight).
3. Review contracts and policies related to support service and/or work experience and identify authorized hours and project start and end dates.
4. Review the proposal contract funding allocation.
5. Verify all related computations, initials per day assisted, signatures, and dates on the sheet.
6. Then, review the payroll computed in MIP in the Payroll module and the related disbursement voucher, signing and passing it for other required signatures.

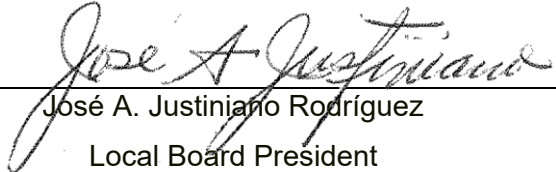
XI. Procurement Area Procedures: The Procurement Officer is responsible for compliance with the following general Procurement Area procedures:

1. Process Requisitions or requests to purchase materials, equipment, and/or services.
 - a. Verify all information in terms of specifications.
 - b. Initiate the process of quotations or request prices and/or proposals.
 - c. Evaluate quotations and prepare a report including recommendations to be submitted to the Finance Director and Executive Director for final purchase approval.
 - i. A minimum of three available quotations or proposals is required.
2. Once the purchase has been awarded, register the purchase orders in the MIP system and print them.
 - a. Process the corresponding signatures on the purchase order.
 - b. Send the order to the supplier.
 - c. Deliver a copy of the purchase order to the Property Area.
3. Provide follow-up on purchase orders issued.
 - a. Coordinate the delivery period with the supplier.
 - b. Follow up on the delivery of the invoice for dispatched orders.
 - c. Order status in terms of validity to cancel it if necessary.

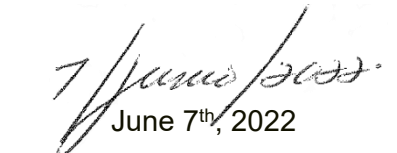


XII. Approval and Effectiveness

This Procedure shall become effective immediately after its approval.



José A. Justiniano Rodríguez
Local Board President



Date

CERTIFICATE OF TRANSLATOR

Smile Again Learning Center, Corp., certifies that a fluent translator in English and Spanish translated this document, that the above is a true and correct translation of the original document provided, in our best judgment, the translated text truly reflects the content, meaning, and style of the original text and constitutes in every aspect a complete and accurate translation of the original document. This is to certify the correctness of the translation only. We do not make any claims or guarantees about the authenticity or content of the original document. Further, Smile Again Learning Center assumes no liability for the way in which the translation is used by the customer or any third party, including end-users of the translation. Any translation into another language shall be deemed as reference and the original version shall prevail in any case. A copy of the translation is attached to this certification.

In Isabela, Puerto Rico, June 30, 2024

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