

ACCOUNTING AND FINANCE PROCEDURES MANUAL

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 standards aimed at promoting efficiency, uniformity, and sound administration of the funds allocated to the Mayagüez-Las Marías Local Workforce Development Area for the purpose of complying with WIOA law.

III. LEGAL BASIS:

This manual is adopted and promulgated pursuant to the authority conferred upon the Mayors' Board and the Mayagüez-Las Marías Local Workforce Development Board by the Workforce Innovation and Opportunity Act (WIOA) of July 22, 2014, and the standards issued by the Federal Government for the administration and oversight of funds allocated by it. Among them: *Code of Federal Regulations Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule*, 2 CFR Part 200.301, 200.303. Additionally, it is promulgated pursuant to applicable state and municipal laws and regulations regarding fund administration, including Act No. 107, known as the "Puerto Rico Municipal Code" of August 14, 2020, as amended, and the Regulation for Municipal Administration as approved in 2008 and revised in 2016.

IV. PURPOSE:

This manual is promulgated to establish the general procedures to be followed by the Finance Department to provide guidelines and parameters aligned with Generally Accepted Accounting Principles for Governmental Entities, as well as State and Federal laws and regulations, with an emphasis on the administration of funds under the Workforce Innovation and Opportunity Act (WIOA).

V. DEFINITIONS:

1. **Allocations:** The maximum amount authorized to incur encumbrances and outlays for a particular purpose in accordance with the budget approved for that fiscal year and subsequent amendments.
2. **Chart of Accounts:** The list of accounts used by an entity.
3. **Account:** The acquisition of a good or service in exchange for monetary payment.
4. **Allowable Costs:** Accumulated expenses incurred through activities and transactions of the subrecipient that are consistent with Federal Law and Regulations, the approved proposal, the Fund Delegation Contract, and Administrative Memoranda issued or adopted by the Workforce Development Program (PDL, by its Spanish acronym) or the agency designated by the Governor. These costs must be incurred within the effective period of said contract.
5. **Disbursements:** Any payment made with WIOA funds, recorded by the Service Delivery Area of the Mayagüez-Las Marías Local Workforce Development Area (ALDLMLM), through a duly authorized and approved payment voucher.
6. **Equipment:** Tangible personal property with a market value greater than \$100.00 and a useful life of five (5) years or more. In the case of computer software purchases, a value greater than \$200.00 shall apply.
7. **Outlays:** Net decreases in financial resources resulting from the acquisition of goods and services during a specific period, regardless of whether they were consumed during the operational activities of the current program year.
8. **Accrued Expense:** The cost of goods and services received during the effective period of the Fund Delegation Contract, regardless of whether they have been paid or invoiced.
9. **Encumbrance (Obligation):** The total amount of issued purchase orders and contracts for which goods and services have not yet been received. An encumbrance is canceled when the underlying

goods and services are received, or when it is certain that such goods and services will not be received within the effective period of the Fund Delegation Contract.

10. **Materials:** Supplies, items, or parts that ordinarily have a short useful life, lose their identity upon use, or become an integral part of property or equipment, and whose value is relatively low and cannot be considered equipment or movable property.
11. **Budget:** A rigorous projection of the cost of goods and services to be received during the effective period of the Fund Delegation Contract that are necessary and reasonable to execute allowable activities contemplated in the Proposal.
12. **Local Area:** The Service Delivery Area (SDA) comprised of the municipalities of Mayagüez and Las Marías.
13. **Disbursing Officer:** An official or employee appointed by the Executive Director of the Local Area to make disbursements carried out by the Local Area in the performance of its duties.
14. **Fiscal Year:** A 12-month period beginning July 1 and ending June 30.
15. **Participants:** Beneficiaries of programs, activities, and services funded under WIOA laws who receive payments from the Local Area for their participation.
16. **Individual Attendance Sheets:** The form used to record a participant's weekly attendance at a programmatic activity during the payment period.
17. **Invoice:** The payment request received by the Local Area from an employer, institution, or contractor.
18. **Commercial Invoice:** A document in which a commercial enterprise requests payment for items or services sold to the Local Area. It must be identified with the letterhead or logo of the vendor company.
19. **Vendors:** Commercial enterprises engaged in the sale of goods, services, and products used for program administration, as well as outreach and selection activities for training and employment programs.

VI. ORGANIZATIONAL STRUCTURE – FINANCE AND BUDGET OFFICE:

The Finance and Budget Office reports directly to the Executive Director through its Finance Director, who serves as its principal official. The basic duties and responsibilities of the Director 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.

To perform all functions properly and efficiently, the Finance and Budget Office shall consist of, at a minimum, the following positions: Finance Director, Budget Analyst, Pre-Audit Officer, Disbursing Officer, Purchasing Officer, and Property Custodian.

VII. BUDGET AREA PROCEDURES:

The Budget Analyst is responsible for maintaining the record of the annual budget 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 MIP.
2. Maintain budgetary control through encumbrances to reserve funds whenever fund requests are received from the Program Area.
 - o a. This allows funds to be reserved for a specific purpose and enables the identification of fund availability for each subsequent budget line item.
3. Continuously review "Encumbrance Budget Reports" during each fund request cycle to identify the need for budget modifications, if necessary.

VIII. PROCEDURES – DISBURSEMENT AND PAYMENT TRANSACTIONS:

The Disbursing Officer is responsible for executing all disbursements related to payments to vendors, service providers, participants, and others, in compliance with the following:

1. Every disbursement must be properly documented by means of a Disbursement Voucher.
2. Disbursement vouchers must be authorized by the Executive Director or their Authorized Representative prior to posting.
3. Disbursement vouchers must be certified by the Finance Department Director or their Authorized Representative.
4. Once the voucher is signed in all required parts, it is ready for check issuance or disbursement.
5. The Disbursing Officer must maintain a Check and/or Voucher Register.
6. The Disbursing Officer shall stamp all supporting documents on the disbursement voucher and proceed to file them.

IX. PROPERTY MANAGEMENT PROCEDURES:

The Property Custodian shall maintain a detailed registry of all Local Area assets in the Fas Gov system, which includes, among other aspects, the assigned property number, specific location, and the personnel to whom such equipment is assigned. The Custodian shall:

1. Prepare a Certification for each employee detailing the equipment assigned for their use.
2. Receive acquired equipment, register it in the system, and update the Certification.
3. Maintain a file containing all follow-up actions related to equipment and certifications:
 - o a. Maintenance performed
 - o b. Warranty claims
 - o c. Insurance claims
 - o d. Equipment disposals/decommissioning
4. Conduct and certify an annual inventory covering all property of the Mayagüez-Las Marías Local Area under their custody.

X. PRE-AUDIT PROCEDURES:

The Pre-Audit Officer is responsible for reviewing all documentation associated with disbursement vouchers corresponding to vendor and provider invoices, as well as participant attendance sheets.

- **A. Vendors and Providers:** The Pre-Audit Officer shall verify the following points regarding vendor and provider invoices:
 1. Verify that every invoice includes a description of the service provided by the vendor. The invoice must be certified by the vendor. The voucher must include the proper inspection receipt from the Local Area, as well as supporting documents such as delivery slips and purchase orders.
 2. For service providers, the invoice must be certified and contain required supporting documents, such as participant list certifications, copies of certificates, achievement reports, and any other supporting documentation as established in the contract.
 3. Invoices related to Individual Training Accounts must be certified by the Program Area and contain semester enrollment proof and any other required evidence.
 4. Invoices for On-the-Job Training (OJT) must include invoice certification, a monthly summary with assigned positions and respective signatures, attendance evidence with hours worked, and canceled checks or proof of direct deposit.

- **B. Participant Attendance Sheets (Payrolls):** The Pre-Audit Officer is responsible for verifying the following:
 1. All attendance sheets must contain the hours control sheet.
 2. All attendance sheets must be identified by Project and by the period covered (biweekly).
 3. Review contracts and policies related to supportive services and/or work experience to identify authorized hours and project start and end dates.
 4. Review fund allocations in the proposal contract.
 5. Verify all mathematical calculations, daily attendance initials, signatures, and dates on the sheet.
 6. After reviewing the payroll calculated in the MIP "Payroll" module and the corresponding disbursement voucher, sign and route for remaining required signatures.

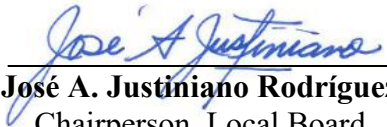
XI. PURCHASING AREA PROCEDURES:

The Purchasing Officer is responsible for ensuring compliance with the following general purchasing procedures:

1. Process Requisitions or requests to acquire materials, equipment, and/or services:
 - a. Verify all information regarding specifications.
 - b. Initiate the bidding process or request price quotes and/or proposals.
 - c. Evaluate quotes and prepare a report with recommendations to be submitted to the Finance Director and Executive Director for final purchase approval.
 - i. A minimum of three available quotes or proposals is required.
2. Once the purchase is awarded, proceed to record purchase orders in the MIP system and print them:
 - a. Process required signatures on the purchase order.
 - b. Send the order to the vendor.
 - c. Deliver a copy of the purchase order to the Property Area.
3. Follow up on purchase orders:
 - a. Coordinate delivery schedules with the vendor.
 - b. Follow up on invoice delivery for dispatched orders.
 - c. Monitor order validity status to cancel if necessary.

XII. APPROVAL AND EFFECTIVE DATE:

This Procedure shall take effect immediately upon its approval.


José A. Justiniano Rodríguez
 Chairperson, Local Board

July 28th, 2025

Date