

## FISCAL ADMINISTRATIVE POLICY

To: work2future Staff & Subrecipients  
From: work2future Director  
Effective Date: May 2020  
SUBJECT: Operating Expense Payments  
Pages 1 - 2

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## OPERATIONAL DIRECTIVE

work2future Workforce Development Board  
5730 Chambertin Dr. San Jose, CA 95118-3910  
408-794-1200

### Purpose:

This policy provides guidance on Budget and Control Modifications under Workforce Innovation and Opportunity Act (WIOA) and the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (Uniform Guidance).

### Scope:

The information in this policy applies to all work2future employees and its subrecipients.

### Effective Date:

This policy is effective upon date of issue.

### REFERENCES:

- Title 2 Code of Federal Regulations 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Title 2 Code of Federal Regulations (CFR) 200.308 Revision of Budget and Program Plans
- Workforce Innovation and Opportunity Act (WIOA) 185, Reports; Recordkeeping; Investigations

### BACKGROUND:

work2future is a division of the Office of Economic Development of the City of San José. The overall responsibility for operating expense payments rests with the City of San Jose's Finance Department. As a key department in the Strategic Support Services City Service Area, the Finance Department manages four separate divisions which include Treasury, Revenue Management, Accounting and Purchasing. Services provided includes debt management, investments/cash management, payment processing, billing, accounts receivable, delinquent tax/revenue collections, payroll, accounts payable, financial reporting, risk management, and procurement services.

### POLICIES AND PROCEDURES:

work2future coordinates all financial-related transactions with the City of San José's Finance Department. Financial transactions include but not limited to: time cards/payroll, accounts receivable, accounts payable, revenue collection, debt management, cash management, financial reporting, risk management, and procurement services.

work2future has establish and maintain effective internal controls over grant awards that provide **reasonable assurance** that awards are being managed in compliance with federal statutes, regulations and the terms and conditions of the Federal award.

The City's and work2future's policies and processes help ensure **with a reasonable assurance** that transactions are properly recorded and accounted for.

All financial transactions are required to be recorded using the City-wide Financial Management System (FMS) where transactions are entered, reviewed, and approved. This does not only improve efficiency and effectiveness, but also identifies and discourages irregularities, such as questionable illegal payments and practices, conflict of interest and activities, and diversions of assets.

Operating Expense payments are reviewed and initiated by work2future staff, which are then entered in FMS. The payment edit list along with necessary supporting documentation are submitted to City Finance which are then reviewed and approved, prior to payment. The City Finance establishes an accounts payable schedule every year, which all departments follow.

Operating expenses are those incurred in carrying out the organization's day-to-day activities, but not directly associated with program services delivery. Operating expenses include such things as payroll, employee benefits and pension contributions, transportation and travel, office supplies, utilities, rent and repairs, maintenance etc.

**ACTION:**

Bring this directive to the attention of all appropriate staff and subrecipients.

**INQUIRIES:**

If you require further information regarding this policy, please contact work2future Finance Manager at (408) 794-1146.