



July 15, 2015

**EASTERN CAROLINA LOCAL AREA ISSUANCE NO. 2015-19**

**SUBJECT:** Cash Advances

**PURPOSE:** To transmit the Local Area's policy on Workforce Innovation & Opportunity Act (WIOA) Service Provider Cash Advances.

**BACKGROUND:** The Eastern Carolina Local Area operates on a cost reimbursement basis. An operating cash advance may be given to a WIOA Service Provider in instances where it has been determined insufficient operating funds exist. WIOA Service providers requesting a cash advance must demonstrate the willingness and ability to limit advanced funds to the actual immediate disbursement needs in carrying out the WIOA program.

**ACTION:** **In accordance with 2 CFR 200.305 (b)(1), a minimum cash balance should be kept on hand at all times and only an amount needed to meet immediate projected disbursement should be requested.** Service providers may request up to one-twelfth (1/12th) of the available budget for operating expense line items to include salaries, fringe benefits, travel, occupancy costs, supplies, and indirect cost. Advanced funds may also be requested for projected participant training (ITAs, work experience, OJTs) and support costs. i.e. childcare and transportation based upon the number of participants enrolled in the program who are in need of these services.

Advanced funds will be reconciled monthly with the receipt of each monthly expenditure report. The ending balance each month should not exceed 10% of the amount advanced, unless there is an approved documented justification, to ensure that a minimal amount of cash is on hand. In the event that excessive balances are determined, a reduction in the monthly amount will be determined and applied before another advance can be granted. Upon completion of the contract, all remaining funds in excess of final expenditures must be returned to the local area via check.

**EFFECTIVE DATE:** July 1, 2015

**EXPIRATION DATE:** Indefinite

**CONTACT:** Executive Director

**DISTRIBUTION:** WIOA Service Providers

  
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Tammy L. Childers, Executive Director