

## Fiscal Agent

### The issue:

A November 8, 2017 letter from DOL sent to Iowa Workforce Development outlined a compliance finding from their September 2017 DOL monitoring. Finding number 2 outlined that IWD “improperly disburses WIOA Title 1 grant funds directly to the WIOA Title 1 adult, dislocated worker and youth service providers in each designated local area, by standing the chief local elected officials who are, per statute and regulations, the local grant recipients for WIOA funds.” WIOA Section 107(12) states that the chief elected official in a local area shall serve as the local grant recipient unless the CEO reaches an agreement with the Governor for the Governor to act as the local grant recipient.

### Timeline:

- Title 1 providers learned of this finding November 2017 when requested a copy of the letter from DOL.
- Title 1 Directors made multiple requests to Iowa Workforce Development for guidance and clarification on this state finding.
- No guidance or clarification provided.
- In order for Region 10 to receive WIOA Title 1 funding starting April 1, 2018 and after, a fiscal agent must be established. CEO Board has authority to establish a fiscal agent.

### Options:

Region 10 identify a local entity to serve as the fiscal agent.

- Typically would be a local entity
- Would set up a cost agreement.
- Would be responsible for participating in financial oversight of Title 1 provider and working with CEO, RWDB and IWD.

Region 10 asks Iowa Workforce Development to serve as fiscal agent as they have in the past.

- Would be able to continue as we have been.
- Title 1 Directors believe we would meet the letter of the law as the CEO board is designating an entity to serve as fiscal agent.
- The CFO of IWD approved serving in this role for Region 10 if the CEO board votes this way.
- IWD is currently providing financial monitoring as required of the fiscal agent.
- IWD would not charge.
- Would need to set up a contract with IWD that would have an opt out clause if providers change or if realignment would disrupt areas, funding, and provider networks.

### Action Needed:

Determine which option may be best for Region 10 and vote. Would recommend establishing this agreement through 6/30/19 when realignment MAY be taking effect and fiscal agents could change. Would recommend an “opt out” option at any time for either party.