



GSETA Fiscal Committee Meeting
Virtual via Microsoft TEAMS
Tuesday, December 2nd, at 9:00 AM

AI Meeting Minutes

Fiscal & Accounting Updates

Presenters: Sally Pezzino, Nalini Ammanamanchi, Theresa Vallely, others

Grant Closing & Final Reports

- Current grant period ends **December 31, 2025**.
- This is the **liquidation period**. After 12/31, no further expenditures.
- **Final reports are due January 15, 2026.**

TANF 26 Cost Summary – Needs-Based Amount

- The new **TANF 26 cost summary** awards do not show a separate needs-based line item.
- Local areas have asked where to enter needs-based expenditures and how to handle drawdowns.
- Fiscal is seeking clarification and will issue written guidance.

Payment & Expenditure Support – Format & Expectations

- Fiscal team continues to receive backup that:
 - Comes in inconsistent formats.
 - Does not tie clearly to IGX and payment vouchers.
- Preference is for **Excel backup** that:
 - Aligns with IGX.
 - Lists expenses by category (e.g., salaries, contracts, participant services) with the amounts being drawn down.
 - Allows Sally, Nalini, and Caitlyn to tie each drawdown line back to the payment voucher and source documentation.

Discussion / Concerns from Locals:

- Victoria and Beth noted that:
 - Some drawdowns can contain 200+ lines.
 - Recreating detail into another spreadsheet is a heavy lift on top of state report deadlines.
 - Local accounting systems vary, and the sample file sent did not fully align with their chart of accounts.
- Paula (Morris) described their process:

- Uses an account analysis that shows debits and purchase orders.
- Splits categories for the state report and is open to meeting with Fiscal to standardize in a way that mirrors state reporting buckets.

Response from State:

- Theresa emphasized:
 - State cannot force counties to change local accounting systems, but all numbers reported in IGX must be verifiable.
 - Historically, there was more “trust” and less documentation, but USDOL now expects detailed support for federal reporting.
 - Sally must be able to show how county-level support ties to IGX and then to federal reports.
- Sally confirmed:
 - The Excel sheet sent to Victoria/Paula was a sample, not a one-size-fits-all.
 - Long term goal is to have all local areas consistent in how they submit backup, but this will take time and individual discussions.

Actions:

- **State – Fiscal:**
 - Work individually with counties (e.g., Morris, others) to review their spreadsheets and find a workable, consistent format.
 - Use the sample template as a guide, not a rigid requirement.
- **Local Areas:**
 - Provide expenditure support that:
 - Matches IGX drawdown amounts.
 - Is understandable to someone outside the county.
 - Be prepared to adjust local spreadsheets so state staff can trace numbers back to IGX.

Late Report Filings & Consequences

- Some local areas are repeatedly:
 - Filing late.
 - Requesting repeated extensions.
- When Sally files federal reports to USDOL:
 - She must flag noncompliant local areas that are late.
 - She does note that the state is working with those areas to resolve issues.

Escalation Process:

- Per Theresa and Internal Audit:
 - **More than 1 month late:**
 - Emails will go from Internal Audit to the WDB Director (and possibly Board Chair) regarding overdue reports.
 - **Around 3 months late or more:**
 - Letters from DOL’s **CFO** to the **County Executive** per the WIN.
 - Potential sanctions are outlined in policy (up to funding restrictions and leadership changes as a last resort).
- Practical impact:

- If reports are not submitted, **drawdowns cannot be processed**.
- Counties may be fronting several months of costs without reimbursement, sometimes totaling millions.

State Request:

- If there is a specific issue (e.g., accountant resigns, delays in billing), local areas should:
 - Email **WIOA POD**, Sally, Nalini, Caitlyn, and if needed, Theresa and Luz.
 - Explain the situation and expected impact on timeliness so the state can work with them and document efforts in federal reporting.

Actions:

- **Local Areas:**
 - Notify the state proactively if staffing or system issues will delay reporting.
 - Prioritize bringing reports up to date to avoid escalations and missed drawdowns.
- **State – Internal Audit/Fiscal:**
 - Continue implementing the escalation process for late reporting and track noncompliant areas.
 - Provide relevant policy links (shared in chat; Victoria will forward).

Budget Modifications

Key Points:

- **All budget modifications must be communicated to WIOA POD**, even if under the 10 percent threshold.
- For **modifications under 10 percent:**
 - As clarified by Fran, local areas **must notify** WIOA POD, but do **not** have to wait for formal approval before proceeding.
- For **modifications over the threshold:**
 - Standard forms and approvals are required, as outlined in existing guidance and online links.

Documentation:

- When WIOA POD (Andre's group) acknowledges or approves a budget modification:
 - Local areas should **upload a copy of that email** to the corresponding report in SAGE.
 - This ensures internal and external auditors can see that the change was documented.

Report Notes in SAGE

Guidance from Nalini:

- Many local areas are placing most explanation notes in the **general "Tools" note section**.
- For clarity and review:
 - **Report-specific notes** (e.g., negative expenditures, fund changes, cash on hand explanations) should be entered **within each individual report** (e.g., "June Adult," "June DW," etc.).
 - If something truly applies to all reports, it can appear in each relevant report and, if needed, in Tools as a supplementary location.

- This helps reviewers see context **immediately** when they open a report instead of hunting through the Tools tab.

Onboarding Process for New Staff & Succession Planning

New Onboarding Protocol:

- Developed by **Andre and Sally**, used a few times already with good results.
- When a local area hires new fiscal or reporting staff, they should:
 - Email **Sally** and **Andre** to notify them.
- State will then schedule a **Teams onboarding session** that includes:
 - Internal Audit.
 - QIP.
 - IGX/fiscal monitoring staff.
 - Local staff.
- Content:
 - Walkthrough of **IGX**, fiscal monitoring expectations, expenditure reports.
 - Time for questions and clarification.

Succession Planning:

- Internal Audit has been advising all local areas to have a **written policy and procedure** for preparing monthly reports.
 - Should include step-by-step instructions on pulling data from the local accounting system, preparing spreadsheets, and completing state reports.
 - Intended to prevent major delays if key staff leave or are unavailable.

OIA / Internal Audit Updates

Presenters: James Reed, Theresa Vallely, Luz Dow

Training: “The Fiscal Force Awakens”

- **Date:** December 15, 2025
- **Time:** 1:00 PM – 2:00 PM
- **Format:** Virtual
- Content:
 - Re-delivery of the fiscal/internal audit training provided at the conference.
 - Focus on what **Workforce Development Boards** are expected to do when monitoring their **subrecipients**, with an emphasis on fiscal oversight.
- Kendra has sent the calendar invite.

Objectives:

- Understanding the importance of fiscal monitoring in workforce programs
- Guidance on how fiscal monitoring, internal controls, and audits support integrity and sustainability
- Sharing best practices and methods to ensure financial compliance and efficiency.

Note: This session was originally facilitated at the GSETA Conference on October 23.

Microsoft Teams [Need help?](#)

[Join the meeting now](#)

Meeting ID: 279 892 086 340 13

Passcode: Z2hb9Gh7

For organizers: [Meeting options](#)

New Certification Requirement in IGX

Regulatory Basis:

- **2 CFR** requires the **fiscal agent** to be accountable for the funds and to certify reports.
- Current NJ policy requires certification by the **Workforce Development Board Director**.
- Going forward, both are required.

Planned Change:

- State will implement a **new certification checkbox** in IGX for the fiscal agent.
- Certification structure will be:
 - Person entering data.
 - Local certifier (currently often the WDB Director).
 - **Fiscal agent representative**, ideally:
 - Director of Finance, CFO, or equivalent, or
 - A designated liaison they supervise.
- Rationale:
 - Fiscal agent must be fully aware of the reported activity and funding status.
 - Helps catch non-reporting or delayed reporting earlier (for example, fiscal agent asking, “Where is your report for this month?”).
 - Aligns state practice with federal rules and closes a long-standing gap.

Implementation Approach:

- State wants to implement this **as soon as practical** while:
 - Minimizing disruption to local operations.
 - Allowing time for local areas to introduce fiscal agents to IGX and workflows.
- State is willing to:

- Meet with county fiscal representatives if needed.
- Address any obstacles or technical questions.

Monitoring, Escalation & Round 2 Volunteers

Monitoring Expectations:

- Starting this year:
 - Any local area that does **not** conduct required fiscal monitoring of its **subrecipients** will receive a **finding**.
- Internal Audit is:
 - Finishing Round 1 monitoring.
 - Preparing for **Round 2**.

Timing & Readiness:

- Preferred practice:
 - Start monitoring **at least three months after** final reports are issued so local areas have time to implement corrective actions.
- Some local areas have asked to delay monitoring because:
 - They are significantly behind on reporting.
 - They are in the middle of fixing major issues.
- Theresa noted:
 - Monitoring is not productive if there are no reports to review.
 - Priority is to allow local areas to resolve crises rather than audit in the middle of them.

Current Status & Volunteers:

- Already scheduled for early monitoring:
 - **Atlantic** and **Ocean** in January.
 - Acknowledgment of earlier cooperation by **Passaic, Morris, and Somerset**.
- Internal Audit is still looking for additional **volunteers for Round 2 monitoring starting in January**.

Additional Discussion & Comments

- Fran raised the importance of:
 - Succession planning and “watchdog” processes at the local level.
 - Ensuring that directors and boards are not blindsided by lack of funds or prolonged reporting gaps.
- Theresa reiterated:
 - Internal Audit’s escalation letters are intended as early warning signals to pull areas back from more serious sanctions.
- Luz noted:
 - Relevant policies outlining compliance expectations and sanctions were shared in the chat (links to be included in Victoria’s follow-up).
- [WD-PY24-10 WIOA and WFNJ Budget Guidance \(6-11-25\).pdf](#) Page 12
- [WD-PY24-1 Sanctions Procedures \(Final\).pdf](#)

- Failure to submit a report by the 15th of next month would constitute failure to submit expenditure reports for two consecutive months and would result in initiation of formal corrective action procedures and a letter to the Chief Elected Official.
- If a subrecipient does not take action within 60 days of that notification, NJDOL may enact corrective actions or penalties as outlined in the Sanctions Policy WD-PY24-1.
- A subrecipient's failure to submit reports, even failures which do not reach corrective action, will be noted on NJDOL's USDOL quarterly federal reports.
- Updated version released on 11/21/25 - [WD-PY24-10.1 WIOA and WFNJ Budget Guidance.pdf](#)

Next Meeting & Closing

- **Next GSETA Fiscal Committee Meeting:**
 - **Date:** March 3, 2026
 - Victoria will send a calendar invite and circulate these minutes, plus:
 - Fiscal talking points from Sally.
 - Policy and guidance links.
 - Information on the **"Fiscal Force Awakens"** training.
- Meeting closed with:
 - Holiday well wishes.
 - Reminder to stay safe in the winter weather.

SCHEDULE PY25/FY26

March 3, 2026 at 9:00 AM
June 2, 2026 at 9:00 AM