



WS 09-01

October 2, 2008

To: Contractor Management

From: Rodney Bradshaw  
Mike Temple  
Mike McLauchlan  
Lucretia Hammond

Subject: Financial Reporting – Instructions for Contract Year 2009

---

## Purpose

Provide workforce contractors with:

- general information on financial reporting;
- expenditure cost categories and descriptions, including a description for administration costs;
- instructions for reporting expenditures and requesting reimbursement/cash; requirements for written policies and procedures for cost classifications; clarification on the classification of monitoring and quality assurance costs, property management costs, costs of preparing reports and documents, and profit.

## Background

The Texas Workforce Commission recently issued new policies and procedures for financial reporting. Many of these new policies and procedures have a direct impact on your tracking and reporting of expenditures to us. The Commission's new policies place particular emphasis on establishing consistency in the definition of administration among the non-child care funding streams and on the consistent and accurate reporting of administration costs.

## Revised Policy and Procedures

We have included three attachments to this issuance, describing the revised financial reporting policy and procedures.

- Attachment 1 contains general information on financial reporting, cost classification, cost categories, and administration costs, including cost caps.

- Attachment 2 contains cost category descriptions.
- Attachment 3 is an easy-reference matrix.

## Action Required

Make certain that staff responsible for expenditure tracking and financial reporting have the new policies and procedures relating to financial reporting. Executive staff should be aware of major changes in policies and the impact these changes will have.

## Questions

This issuance and attachments are available for download at <http://wrksolutions.com> in the Staff Resources section. Direct questions for Board staff to Mike McLauchlan at 713.993.4506 or [mike.mclauchlan@wrksolutions.com](mailto:mike.mclauchlan@wrksolutions.com) or your contract manager.

## Attachments

- 1: H-GAC Workforce Contracts 2009 Financial Reporting Policy and Procedures
- 2: Cost Category Descriptions
- 3: Matrix