

Reconciliation of Budgeted to Actual Costs

2023



Overview

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Sample Matrix for Tracking Actual Costs Incurred by Partner

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Background

TEGL 17-16: the “one-stop operating budget must be **periodically reconciled** against actual costs incurred and adjusted accordingly.”

Budgeted to actual costs must be reconciled for **both infrastructure costs and for local service delivery system costs.**

The *purpose* of reconciliation is to ensure the one-stop operating budget “reflects a cost allocation practice that demonstrates how infrastructure costs are charged to each partner in **proportion to the partner’s use of the one-stop center and relative benefit received.**”

Reconciliation Frequency and timeline

Frequency–

Semi-annual reconciliation periods (required minimum):

12/31 06/30

Quarterly reconciliation periods (Optional)

9/30 03/31
12/31 06/30

Reconciliation process – the process of reconciling budgeted to actual costs incurred during the reconciliation period

The reconciliation process starts after the end of the reconciliation period. Payments of additional amounts owed are generally paid within 60 calendar days of the end of the reconciliation period.

Sample Timeline

SAMPLE TIMELINE FOR SEMI-ANNUAL RECONCILIATION			
NUMBER OF DAYS SINCE END OF RECONCILIATION PERIOD	SAMPLE DATES FOR SEMI-ANNUAL RECONCILIATION PERIODS		ACTIVITY
	12/31	6/30	
Within 20 calendar days	1/20	7/20	Actual cost for the reconciliation period compiled by individual responsible for reconciliation
Within 25 calendar days	1/25	7/25	Individual responsible for reconciliation shares the actual costs for the reconciliation period (i.e., actual costs incurred between 7/1 and 12/31)
Within 30 calendar days	1/30	7/30	Individual responsible for reconciliation issues notices to required partners any additional amounts owed within 30 days of the date of notice
Within 60 calendar days	3/1	8/29	Required partners pay any additional amounts owed, per the notice

General Process of Reconciliation

1. Local Workforce Board Chair determines the frequency of reconciliation in the local area.
2. Local Workforce Board Chair identifies the individual responsible for performing reconciliation in the local area.
3. The individual responsible for reconciliation develops a process for identifying actual costs at the end of each reconciliation period.

General Process – Continued

3. Identify actual costs incurred during the reconciliation period.
 - Use the Sample Matrix for Tracking Actual Costs Incurred by Partner
 - Identify the partner incurring the cost of each line item
 - Confirm with that partner the actual costs incurred for each line item
 - Enter the sum of the actual costs incurred into the Reconciliation Spreadsheet

- ✓ **Threshold for reconciliation versus budget amendment:**

Line item variances exceeding 15% of the budgeted amount *and* 10% of the total budget require an MOU/budget amendment agreed-upon and signed by all required partners in the local area.

General Process – Continued

1. Identify the benefits received by each required partner that shares costs in the local area.
 - Use the Sample Matrix of Benefits Received by Required Partner
 - Customize the basic benefits and programmatic benefits to your local area
2. Identify each required partner's FTE commitment made in the original MOU/budget agreement
 - For reconciliation purposes, the original FTE commitments made by each required partner at the effective date of the MOU remain the basis of adjusting a required partner's proportionate share during reconciliation.
 - A change in a partner's FTE commitment at any time in the program year requires an MOU/budget amendment with new partner approval/signatures.

Reconciliation Spreadsheet

INSTRUCTIONS FOR USING THE RECONCILIATION SPREADSHEET	
The Governor's Guidelines require reconciliation to occur at least semi-annually. This Reconciliation Spreadsheet has two tabs: Tab 1 for use when the local workforce board opts to conduct reconciliation on a semi-annual basis to meet the minimum requirement; Tab 2 for use when the local workforce board opts to reconcile on a quarterly basis.	
A	Complete a reconciliation spreadsheet for every comprehensive one-stop center in which required partners share costs.
B	Complete a new reconciliation spreadsheet for each reconciliation period.
C	Follow these general steps:
1.	Manually enter in cell B1 the address of the one-stop center for which budgeted to actual costs will be reconciled.
2.	Manually enter in cells B6 and C6 the start and end dates of the applicable reconciliation period for which costs will be reconciled.
3.	Manually enter in Row 14 each required partner's budgeted FTEs for the respective reconciliation period. This figure includes the sum of onsite FTEs and off-site FTEs providing access to services through direct linkage technology at that one-stop center.
4.	Manually enter in cell B9 the budgeted costs applicable to the respective reconciliation period only. (This amount will come from the "Matrix for Tracking Actual Costs Incurred by Required Partner," third column entitled "Budgeted Cost for This Reconciliation Period." Do not enter total annual budget.)
a.	Each required partner's proportionate share of that budgeted amount for the reconciliation period will auto-calculate based on the percentage of total FTEs committed for providing access to WIOA services at the one-stop center.
5.	Manually enter in B12 the total actual costs incurred during the respective reconciliation period. (This amount will come from the "Matrix for Tracking Actual Costs Incurred by Required Partner," fourth column entitled "Actual Cost at End of Reconciliation Period.")
a.	Each required partner's proportionate share of that total actual amount will auto-calculate based on the percentage of total FTEs committed to providing access to WIOA services at the one-stop center.
6.	The additional amounts owed or credited to all required partners will auto-calculate.
a.	Additional amounts owed appear in black font (positive numbers).
b.	Amounts to be credited to each partner appear in red font (negative numbers).
SAMPLE MATRIX OF BENEFITS RECEIVED BY PARTNER	
Tab 3 is a sample matrix that is completed by every individual party to the MOU as a check that each party is getting a measurable benefit by participating in the American Job Center. The person responsible for reconciliation should ensure that every party to the MOU reviews the matrix and communicates that it is getting a measurable benefit for that service period.	
SAMPLE MATRIX FOR TRACKING ACTUAL COSTS INCURRED BY PARTNER	
Tab 4 is a sample matrix that the individual responsible for reconciliation can customize to identify which required partner incurred each shared cost item in the local one-stop operating budget and the actual cost incurred.	

Annual Reconciliation

Enter the Address of the One-Stop Center for Which Costs Will Be Reconciled:								
Cells appearing in gold indicate cells in which you manually enter data, per the instructions on Tab 1.								
		e.g., 7/1/23	e.g., 12/31/23					
		Start Date	End Date					
Enter the Start and End Dates of This Reconciliation Period:								
Reconciliation Period	Total for One-Stop Center	Partner 1	Partner 2	Partner 3	Partner 4	Partner 5	Partner 6	Partner 7
Budgeted Costs								
Budgeted Costs for this Reconciliation Period Only								
Actual Costs Incurred								
Actual Costs Incurred in this Reconciliation Period Only								
Budgeted FTEs								
Partner % of Total FTEs Providing WIOA Services								
Amounts Owed or Credited*								
Amount Owed or Credited for this Reconciliation Period	\$0.00							
* Negative numbers in red font indicate partner has overpaid and will be issued a credit for the next reconciliation period. Positive numbers in black font indicate that partner owes an additional amount toward shared costs within 60 days of the end of the reconciliation period.								

Sample Matrix of Benefits Received by Partner

PROGRAM YEAR:	PY 20XX			RECONCILIATION PERIOD: 6/30/20XX – 12/31/20XX													
Benefit Received (Examples)	Title IB	TAA	CSBG	Wagner-Peyser	MSFW	Veterans Services	UI Comp Programs	TRA	Adult Education	CTE/Perkins	Vocational Rehab	TANF	SCSEP	Second Chance	Job Corps	National Farmworkers	YouthBuild
BASIC BENEFITS (EXAMPLES)																	
Office space for staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to copiers/equip	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Security services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cleaning services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High-speed internet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PROGRAMMATIC BENEFITS (EXAMPLES)																	
Potential for increased referrals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved service coordination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer convenience to access co-located services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Opportunities for cross-trained staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Potential for streamlined intake processes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved business service integration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sample Matrix for Tracking Actual Costs Incurred by Partner

Identify actual costs incurred during the reconciliation period.

- Use the Sample Matrix for Tracking Actual Costs Incurred by Partner
- Identify the partner incurring the cost of each line item
- Confirm with that partner the actual costs incurred for each line item
- Enter the sum of the actual costs incurred into the Reconciliation Spreadsheet

PROGRAM YEAR: PY __	RECONCILIATION PERIOD: MM/DD/YYYY - MM/DD/YYYY			
Examples of Line Items in the One-stop Operating Budget	Required Partner(s) Incurring This Cost	Budgeted Cost for This Reconciliation Period	Actual Cost at End of Reconciliation Period	Difference
INFRASTRUCTURE COSTS (EXAMPLES)				
Facilities Costs				
Lease Cost		\$	\$	\$
Property and casualty insurance		\$	\$	\$
Security services		\$	\$	\$
Cleaning services		\$	\$	\$
Utilities		\$	\$	\$
Technology Costs				
Telecommunications / internet		\$	\$	\$
Equipment and technology		\$	\$	\$
Assistive technology		\$	\$	\$
Equipment rental (copier/fax)		\$	\$	\$
Common Identifier Marketing Costs				
Signage		\$	\$	\$
Other Shared Infrastructure Costs				
Other		\$	\$	\$
Other		\$	\$	\$
SHARED DELIVERY SYSTEM COSTS (EXAMPLES)				
Costs Related to Board Functions				
Staffing, salary, benefits		\$	\$	\$
Board meeting costs		\$	\$	\$
Audit costs of incorporated board		\$	\$	\$

Invoice Example

1. Identify the LWIA by name or number
2. Identify the period to which the costs included on the invoice apply
3. Identify the amount of reimbursement requested separately for:
 1. Infrastructure costs (in total)
 2. Shared delivery system costs (in total)
4. Include only net amounts to be paid after factoring in offsetting contributions
5. Reference the agreed upon MOU and its effective date

Name		LWIA XX		Fry, Tonya: 1 Name and number	
Address		Phone:			
City State		Fax:			
		E-mail:			
Statement					
Invoice Number			Bill To:		
Date:					
Date		Budget	12/31/XX Bill	6/30/XX Bill	Budget Over/Under
1/1-6/30	Lease Costs	Fry, Tonya: 3. Infrastructure cost			
	Facility Maintenance				
	Total Infrastructure				
	Resource Room				
	Materials				
	Total Service Delivery	Fry, Tonya: 3. Shared delivery system cost			
	Total	\$0.00	\$0.00	\$0.00	\$0.00
	Previously Billed			-	
	Total Due		\$0.00	\$0.00	
Reminder: Please include the statement number on your check.					
MOU effective date		07/01/xx-06/30/xx		Fry, Tonya: 4. Net Amount Due	
REMITTANCE					
Customer Name:		Fry, Tonya: 5. MOU effective Date			
Statement #:		0			
Date:					

General Process – Continued

4. Complete the Reconciliation Spreadsheet
 - Use a new Reconciliation Spreadsheet for every reconciliation period
 - Complete a Reconciliation Spreadsheet for every one-stop center where partners are sharing costs
 - Enter the budgeted costs applicable to that reconciliation period only
 - Do not enter the total annual budget
 - Send completed Reconciliation Spreadsheet to all partners for review.
- ✓ From the Matrix for Tracking Actual Costs Incurred by Required Partner:
The third column, “Budgeted Cost for This Reconciliation Period,” is entered into the Reconciliation Spreadsheet.

Special Circumstances

If reconciliation occurs after partners amended the budget:

SCENARIO	VERSION OF BUDGET TO RECONCILE
<p>If a budget amendment becomes effective before the end of the reconciliation period</p>	<p>Reconciliation will be based on the actual costs during the reconciliation period compared to the new amount that partners agreed to contribute per the amended budget</p>
<p>If partners amended the budget after the end of the reconciliation period</p>	<p>Reconciliation will be based on the actual costs during the reconciliation period 1 compared with the originally agreed-upon budget</p>

Special Circumstances

If the actual amount of a line item exceeds the variance threshold:

SCENARIO	WHETHER A BUDGET AMENDMENT OR RECONCILIATION WILL OCCUR
<p>If a significant variance of a line item is permanent</p>	<p>An amendment to the one-stop operating budget and MOU is required with new partner signatures. Required partners must still amend the MOU with the amended budget even if the reconciliation occurred after the end of the program/fiscal year.</p>
<p>If a significant variance of a line item is temporary or seasonal</p>	<p>The fluctuation can be handled through the reconciliation process <i>without</i> requiring an amendment to the budget and MOU.</p>

Special Circumstances

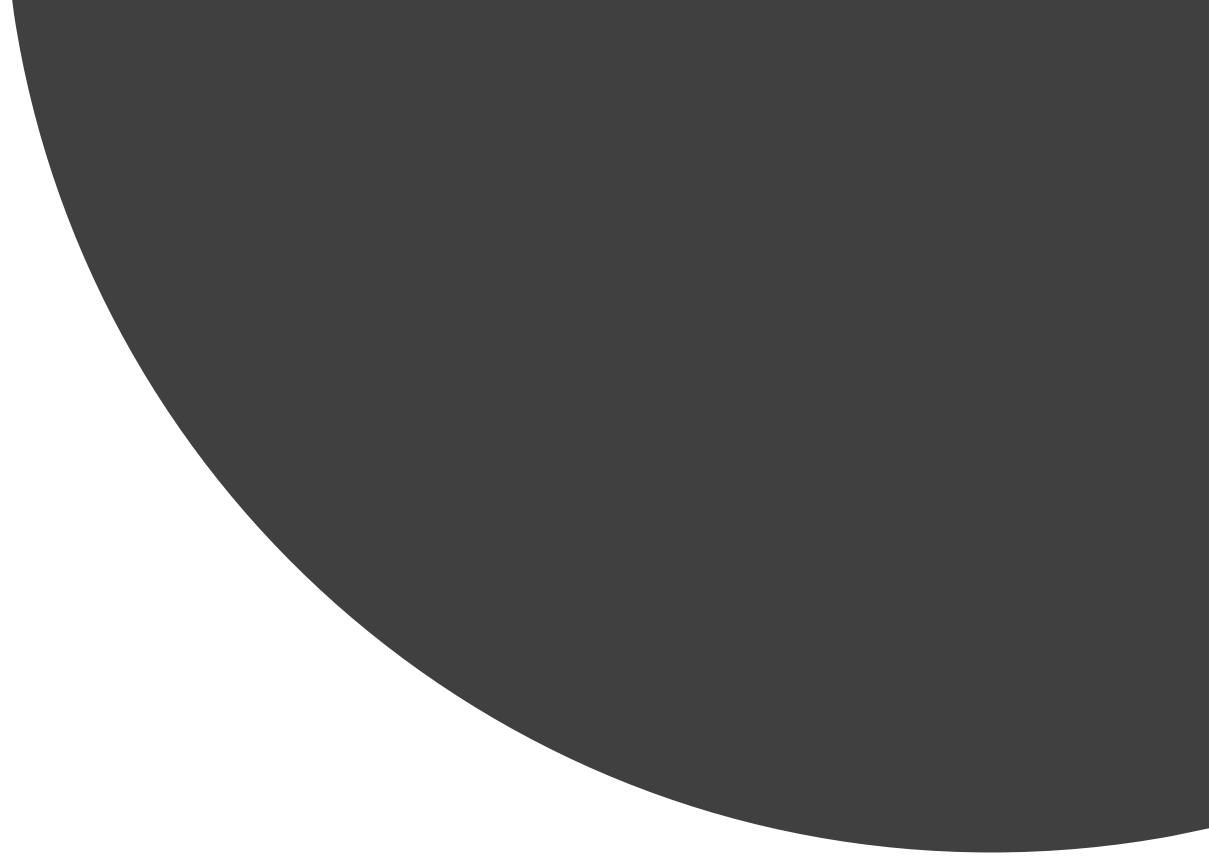
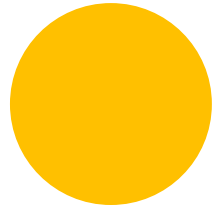
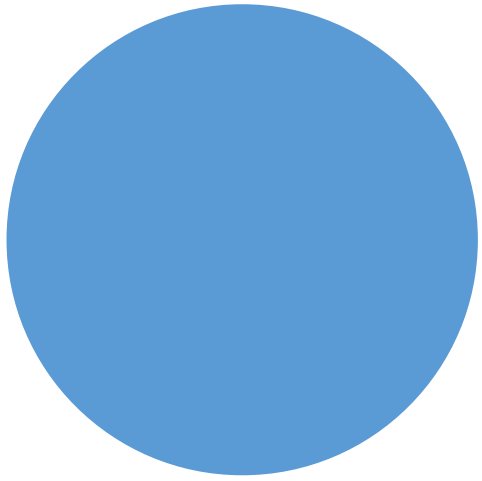
If a required partner disagrees with the reconciliation or budget amendment:

- The required partner that disagrees should provide written notification within 15 days of the final reconciliation notice to the individual responsible for reconciliation explaining the rationale for disagreement or non-payment.
- The individual responsible for reconciliation informs the LWIB Chair, who follows the process agreed upon in Section 13 of the local MOU for resolving disputes that evolve after cost sharing agreements have been made.
- If partners still can't reach agreement, then the individual responsible for reconciliation informs Michael Baker at Commerce, wioaplans-mous@illinoisworknet.com, and provides a report signed by the LWIB Chair.
- The WIOA Interagency Work Group will consider any justifications received and identify next steps.

Special Circumstances

If a required partner does not pay an amount owed within 60 calendar days of the end of the reconciliation period:

- The individual responsible for reconciliation requests a written justification from the delinquent payee.
- The individual responsible for reconciliation provides a report signed by the LWIB Chair to Michael Baker, wioaplans-mous@illinoisworknet.com, with any justifications received, proposed solutions considered and reasons the proposed solutions were not accepted.
- The WIOA Interagency Work Group considers any justifications received and identifies next steps to assure payment is made.



Questions

Thank you