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DEPARTMENT OF LABOR & ECONOMIC GROWTH  
LANSING

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**OFFICIAL**

**Bureau of Workforce Programs (BWP)**  
**Policy Issuance (PI): No. 05-03**

**Date:** March 24, 2005

**To:** Michigan Works! Agency (MWA) Directors, Workforce Development Board (WDB) Chairs, and Chief Elected Officials (CEOs)

**From:** Brenda C. Njiwaji, Director, Bureau of Workforce Programs (**SIGNED**)

**Subject:** Monitoring and Oversight, Compensated Absences, Cost Allocation, and Audits

**Programs  
Affected:**

Programs Funded By The Department of Labor & Economic Growth (DLEG)/BWP

**References:**

The Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

Office of Management and Budget (OMB) Circular A-110, Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations

OMB Circular A-21, Cost Principles for Educational Institutions

OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments

OMB Circular A-122, Cost Principles for Non-Profit Organizations

OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations

U.S. Department of Labor (USDOL) Regulations

U.S. Department of Health and Human Services Regulations

U.S. Department of Agriculture Regulations

Single Audit Act of 1984 (P.L. 98-502), as amended July 5, 1996  
(P.L. 104-156) (31 U.S.C. 7501-7)

Workforce Investment Act (WIA)

WIA Regulations

Government Auditing Standards

Financial Accounting Standards Board Statements

Governmental Accounting Standards Board Statements

Federal Acquisition Regulations

Resource Sharing for WIA One-Stop Centers: Methodologies for Paying or Funding Each Partner Program's Fair Share of Allocable One-Stop Costs; Notice, Federal Register, May 31, 2001, Employment and Training Administration, pages 29637-29646

One-Stop Comprehensive Financial Management Technical Guide, Issued July 2002 by the USDOL

**Rescissions:** Office of Workforce Development Policy Issuances:

00-43 and Changes, Monitoring and Oversight

00-48, Accounting For And Funding Of Compensated Absences

00-52, Cost Allocation

03-15 and Changes, Audits

**Background:** The DLEG recently reviewed several previously issued PIs and determined that the laws, regulations, OMB circulars, etc., provide the required guidance for monitoring and oversight, compensated absences, cost allocation, and audits. This guidance includes, but is not limited to, the above referenced laws, regulations, OMB circulars, etc. Therefore, the previously issued PIs on these subject matters are being rescinded to eliminate duplication between the Federal standards and State policy issuances.

**Policy:** PIs 00-43, 00-48, 00-52, and 03-15 and all subsequent changes are hereby officially rescinded by the DLEG. WDBs, CEOS, MWA administrative entities, MWA fiscal agents, and MWAs' service providers shall adhere to

applicable statutes, regulations, OMB circulars, etc., for the operation of programs funded by the DLEG/BWP.

**Action:** MWA officials shall review the requirements of the above referenced laws, regulations, OMB circulars, etc., and revise local policies and procedures as appropriate.

**Inquiries:** Questions regarding this PI should be directed to the Internal Audit and Monitoring Division at (517) 335-3154.

The information contained in this PI will be made available in alternative format (large type, audio tape, etc.) upon special request received by this office.

**Expiration**

**Date:** Continuing

BCN:MW:sm