

Fiscal Agent Guidance

Role of the Fiscal Agent

The chief elected official (CEO) in a local area serves as the local WIOA Title I-B grant recipient and is liable for any misuse of grant funds. In order to assist in the administration of grant funds, the CEO may designate a local fiscal agent. Designation of a fiscal agent does not relieve the CEO of his or her liability for any misuse of grant funds.¹ Costs incurred by the fiscal agent are administrative costs.²

The fiscal agent also has the option to directly provide some or all of the Youth services.³

Fiscal Agent Agreement

If the CEO designates a fiscal agent, DWD-DET requires a written agreement between the CEO and the fiscal agent that clearly defines the roles and responsibilities of the fiscal agent.⁴

Fiscal Agent Functions

The role of the fiscal agent is limited to accounting and funds management functions.⁵ The fiscal agent does not approve or create budgets or make decisions about who receives money. The fiscal agent must disburse grant funds without delay at the direction of the local board.⁶

The responsibilities of the fiscal agent generally include the following:

1. Receive funds.
2. Ensure sustained fiscal integrity and accountability for expenditures of funds in accordance with Office of Management and Budget circulars, WIOA and the corresponding Federal Regulations and State policies.
3. Respond to audit financial findings.
4. Maintain proper accounting records and adequate documentation.
5. Prepare financial reports.
6. Provide technical assistance to subrecipients regarding fiscal issues.

If the Local WDB wishes, the fiscal agent may also have the following additional functions:

1. Procure contracts or obtain written agreements.
2. Conduct financial monitoring of service providers.
3. Ensure independent audit of all employment and training programs.⁷

¹ WIOA Sec. 107(d)(12)(B)(i)(I) and (II); 20 CFR 679.420(a); 20 CFR 683.710(a)(4)

² WIOA Sec. 3(1); 20 CFR 683.215(a)

³ 20 CFR 681.400(a)

⁴ 81 FR 56105; 20 CFR 679.420(a)

⁵ 81 FR 56105

⁶ WIOA Sec. 107(d)(12)(B)(i)(III)

⁷ 20 CFR 679.430(b)

Conflict of Interest

If the organization acting as the fiscal agent serves multiple roles within the local area (for example if it is also a service provider, board staff, or the one-stop operator), it must create a written agreement with the Local WDB and CEO that clearly describes how that organization and the local WDB will ensure that appropriate firewalls, including adequate separation of duties, are in place to minimize fiscal risk and prevent a [conflict of interest, or the appearance of a conflict of interest](#).⁸ The conflict of interest agreement may be part of the fiscal agent agreement or a separate agreement.

⁸ 81 FR 56105; 20 CFR 679.430