

# Financial Management Policy

2025 Update

October 16, 2025





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## Policy Purpose & Context

- L&I administers federal and state grants as the State Workforce Agency (SWA).
- Establishes fiscal accountability for workforce development grants
- Ensures compliance with Workforce Innovation and Opportunity Act (WIOA) and alignment with OMB Uniform Guidance.
- Provides technical assistance to workforce system partners
- Financial Management Guide (FMG)



# Policy Statement

- Assists grantees in achieving and maintaining compliance
- Strengthens the integrity of financial systems and informational systems.
- Provides framework for grant management
- Applies to federal awards administered through L&I



# Policy Scope

- Commonwealth of Pennsylvania
- Chief Elected Officials (CEOs)
- Local Workforce Development Boards
- Fiscal Agents & Administrative Entities
- Service Providers, Contractors, and Eligible Training Providers



# Grant Management Roles & Responsibilities

- **Grantee/recipient** – Award received directly;  
CEOs, local boards, fiscal agents, administrative entities, service providers and others
- **Sub-grantee/subrecipient** – Subaward received from a pass-through entity; CEOs, local boards, fiscal agents, administrative entities, service providers and others
- **Sub-grantee/sub-recipients vs. contractors** – Defined by Uniform Guidance (2 CFR 200.331)
- **Fiscal Agent** – Designated by CEO(s), entity disbursed funds per CEO/local board direction

# Key Revisions

Published July 29, 2025



## Updated Content

- **Updated Purpose:** Clarifies L&I as the Commonwealth's State Workforce Agency (SWA)
- **Expanded Definitions for key roles:** Administrative Entity, CEO, Fiscal Agent, Recipient, Sub-recipient
- **Added guidance:** subrecipient vs contractor distinctions (per Uniform Guidance)
- **Fiscal Agent:** Clarified fiscal agent responsibilities and CEO responsibility
- **References & Supporting Information:** Updated to include 2024 OMB revisions and streamlined references and supporting information.



# Supporting Resources

- **Financial Management Guide (FMG)**

*Supporting documents can be found on:* [Workforce Policies and Forms | Department of Labor and Industry | Commonwealth of Pennsylvania](#)

- **Supporting information**

- A. Wagner-Peyser Act of 1933, 29 U.S.C. §§ 49-49n
- B. Workforce Innovation and Opportunity Act (WIOA), 29 U.S.C. §§ 3101-3361
- C. Pennsylvania Workforce Development Act of Dec. 18, 2001, 24 P.S. §§ 6250.101-6250.1502
- D. U.S.DOL Only WIOA Final Rules, 20 C.F.R., Parts 603, 651, 652,
- E. WIOA Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions 20 C.F.R., Parts 676, 677, 678
- F. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (also known as Uniform Guidance), 2 C.F.R. §§ 200.0-200.521
- G. United States Department of Labor Regulations for Grants and Agreements, 2 C.F.R. §§ 2900-2998.437



## Open Floor



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Policy & Planning Coordination Services



Thank you