

# Setting Up Clear Agreements

Module 5 of GSETA's Local  
Governance Policy Training Series



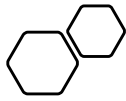
- Welcome to the pre-recorded webinar “Setting Up Clear Agreements”! This is Module 5 of the Local Governance Policy Training Series, offered through New Jersey Department of Labor’s partnership with the Garden State Employment and Training Association.

# Training Series

Number	Title
<b>Module 1</b>	Introduction to Local Governance Policy
<b>Module 2</b>	The Local Workforce Development Board
<b>Module 3</b>	Competitive Procurement 3A: Workforce Procurement Introduction, Standards & the LWDB's Role in Procurement
	Competitive Procurement 3B: Competitive Procurement Process
	Competitive Procurement 3C: Procurement Monitoring & RFP Best Practices
<b>Module 4</b>	Competitive Procurement: Evaluating Proposals
<b>Module 5</b>	Setting Up Clear Agreements



- As you can see, there are five pre-recorded modules in this training series.
- We are in Module 5: Setting Up Clear Agreements.
- If you have not had the opportunity to participate in the previous modules of the training series, we recommend that you do so prior to watching this one.



## Application Guide

As you go through this training, you will see these icons which indicate a prompt for reflection. You can:

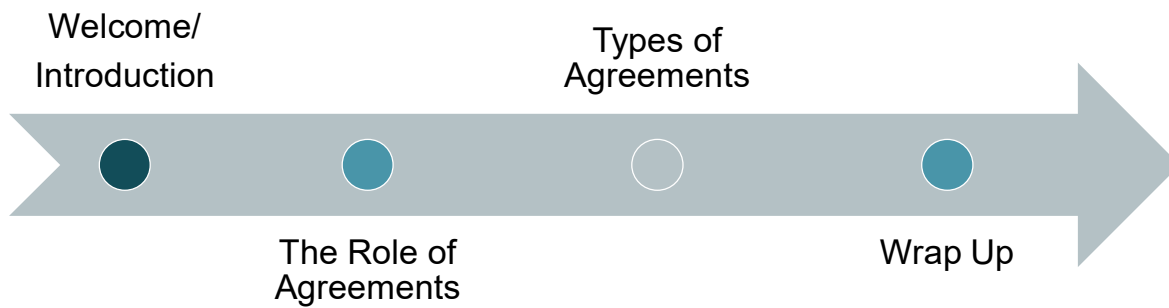
1. Pause the training and do the prompt, OR
2. Complete the training and then go through the guide.



- As we've discussed before, this training series includes an application guide, or resource that is all about putting policy into practice at the local level.
- As you go through this training, you will see these icons which indicate a prompt for reflection. You can:
  1. Pause the training and do the prompt, OR
  2. Complete the training and then go through the guide.
- Now let's look at our agenda for today's module.

# Agenda

---



- Here is the agenda, or main topics, for this module.
  1. Right now, we are in the welcome/introduction section.
  2. Next, we will define agreements, and review their role and importance within local governance policy.
  3. We will then examine the main types of agreements prescribed by WIOA, namely: LWDB agreements, CEO agreements, MOUs and IFAs, and Fiscal Agent agreements.
  4. Then we will wrap up the module.
- Let's move onto reviewing our objectives for this module.

# Objectives

---

Explain the role and importance of having agreements in place for local governance.

Define the following agreements, describing essential attributes: CEO agreements, fiscal agreements, LWDB agreement, and Memoranda of Understanding and Infrastructure Funding Agreement.

Apply best practices for ensuring that agreements are clear and practical.

Create or update agreements or MOUs for your local workforce system, as needed.



- Objectives refer to what you should be able to do by the end of this module. Our objectives today are for you to be able to:
  - Explain the role and importance of having agreements in place for local governance.
  - Define the following agreements, describing essential attributes: LWDB agreement, CEO agreements, Memoranda of Understanding and Infrastructure Funding Agreement, and fiscal agent agreements.
  - Apply best practices for ensuring that agreements are clear and practical.
  - Create or update agreements or MOUs for your local workforce system, as needed.
- Please note that the local governance agreements that we will cover today are WIOA required ones; this training does not review all possible agreements.

# The Role of Agreements



In this section, we will review the crucial role of agreements within the WIOA-outlined structure of the LWDB; the procured services of One Stop Operator, Career Services and Youth Services; and Partners.

## Definition of Agreement

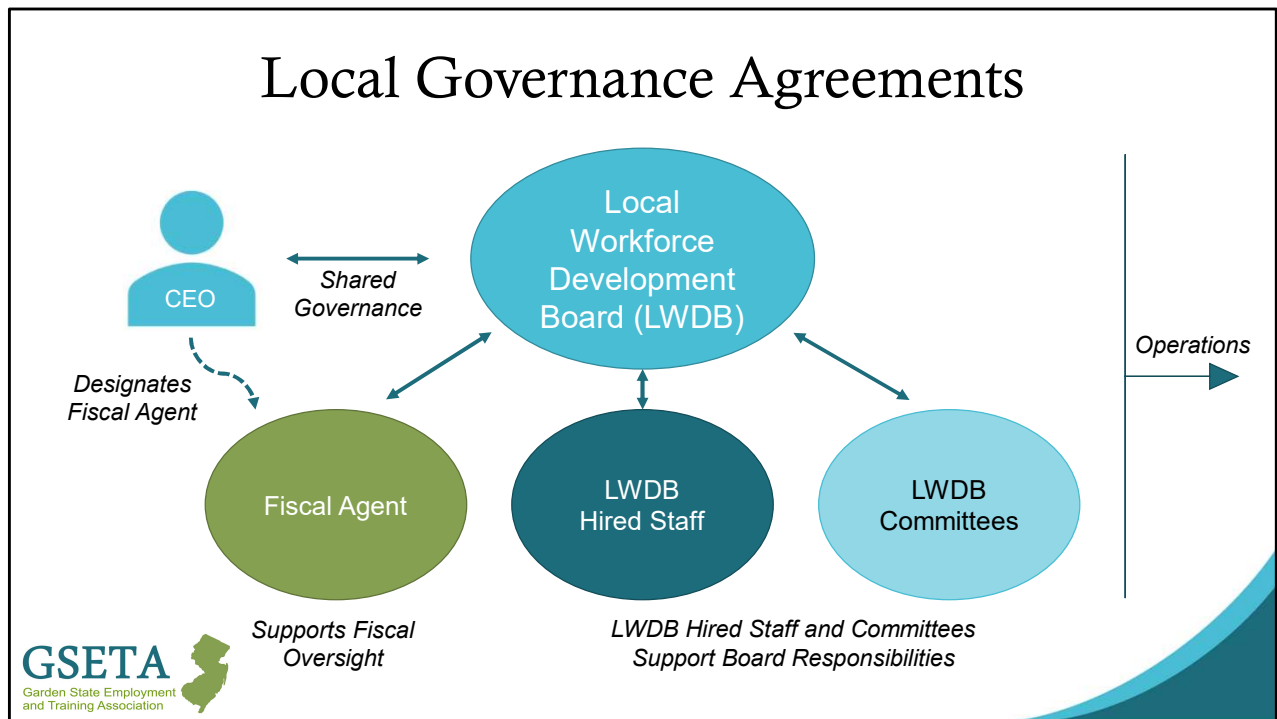
---

An agreement is a contractual document which outlines the roles and responsibilities of the parties involved.



- Let's begin with a simple definition. What is an agreement? It is a contractual document – written and signed – which outlines the roles and responsibilities of the parties involved.

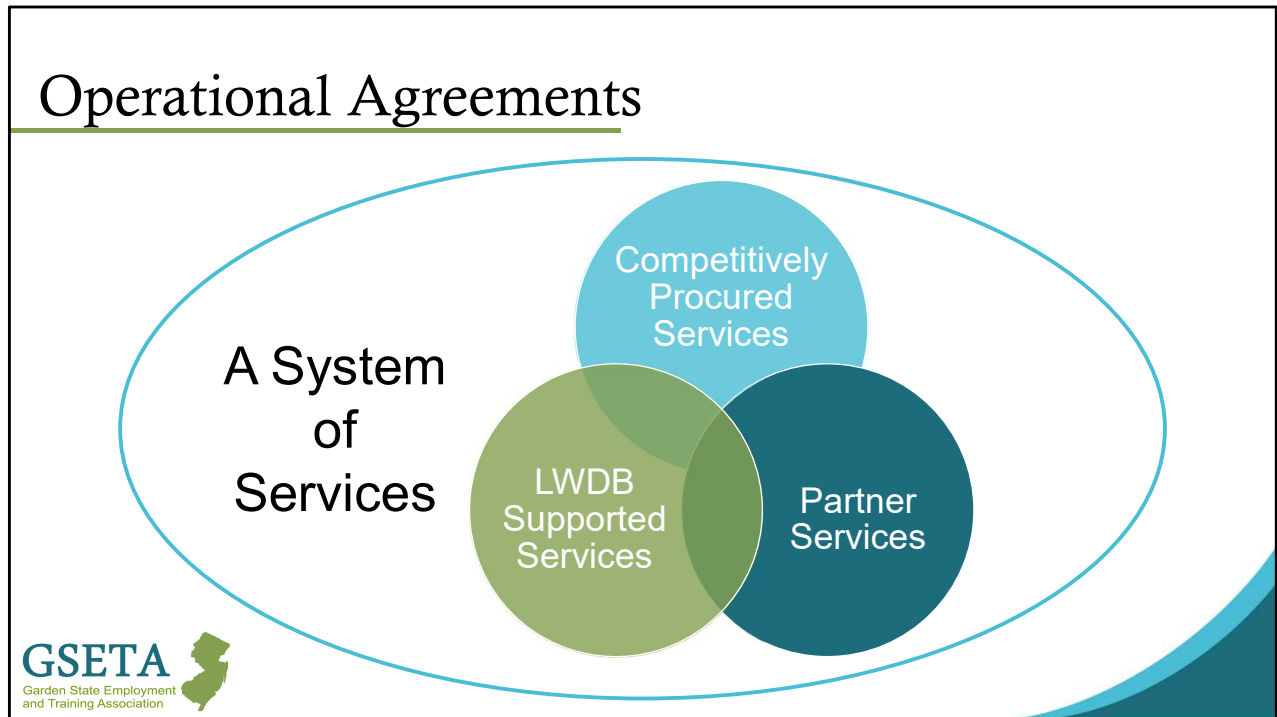
# Local Governance Agreements



- What is the role of agreements within local governance policy? To answer that question, first let's review some information about governance structure.
- As you'll recall, the CEO and LWDB share governance. The CEO optionally designates a specific person to serve as a local fiscal agent to assist in the administration of grant funds. Also, LWDBs can designate or hire a director or other staff, who help the board carry out its responsibilities. And finally, there are required as well as optional committees which each have a different focus but also assist the board in governance duties.
- Several types of agreements, which we will unpack in detail today, outline the roles and responsibilities of these entities, specifically the CEO(s), the fiscal agent, and the LWDB.
- All of these entities are separate from operations, which includes procured services as well as non-procured partners.



# Operational Agreements



- WIOA highlights 14 required partnerships and allows for additional community partnerships.
- This includes programs reflected in:
  - The Core Partners of WIOA
  - NJDOL partners
  - Other State Partners
  - And Federal Program Partners
- These programs serve the employment and training needs of both job candidates and employers. The services and supports of all these programs must be integrated and provided through our One Stop Career Centers.
- Finally, additional services may be provided directly through Local Workforce Development Boards, specifically through other leveraged funds like Work First New Jersey.
- **Memoranda of Understanding (MOUs) and Infrastructure Funding Agreements (IFAs)** are operational agreements that help to translate the vision and plans of the CEO and LWDB into specific service plans in the One Stop Career Center. MOUs and IFAs are between One Stop partners and the LWDB.
- Let's take a closer look at the importance of agreements in local governance policy.

## Importance of Agreements

Having written agreements in place is important because they:

Define and establish local governance structures

Set up firewalls

Provide structure for collaboration in the One Stop System



- Having written agreements in place is important because they:
  - **Define and establish local governance structures.** Agreements help to set up local system leadership and governance structures. Since local workforce development under WIOA is a big system with many moving pieces, agreements outline what each party is responsible for, and how it relates to and interacts with the other parts of the system. In defining and establishing local governance structures, agreements bring clarity to the roles and responsibilities of each party.
  - **Set up firewalls.** Recall that WIOA requires proper separation between governance and operations. Agreements help to set up firewalls and avoid conflict of interest because they outline expected processes, communication methods, and code of conduct, thereby ensuring that public funds are being used properly, without favoritism for one party over another.
  - **Provide structure for collaboration in the One Stop System.** As we saw on the previous slide, there are a wide variety of partners that make the system of services possible. One reason for the revisions in WIOA, from WIA, were to decrease the silos that services were sometimes operating in, and to increase collaboration and communication to more effectively serve the whole person, no matter the needs. Agreements seek to establish respect and reciprocity, to the benefit of all; agreements also leverage resources for the one-stop system.



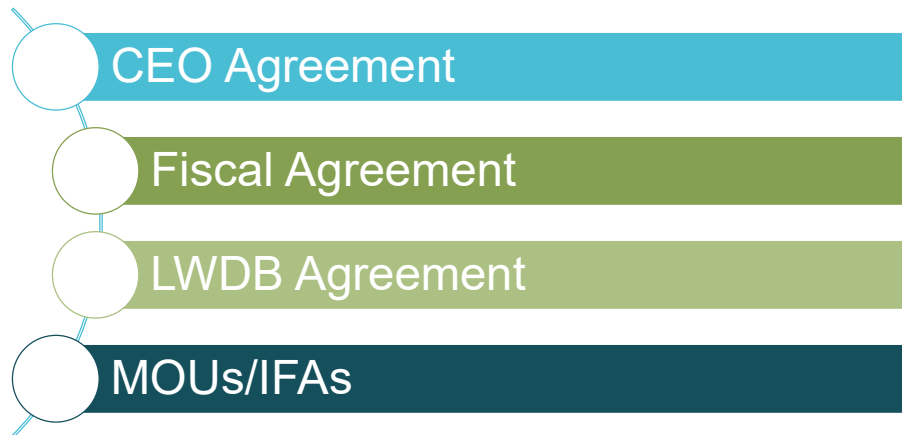
# Types of Agreements

CEO Agreements, Fiscal Agent  
Agreements, LWDB Agreements,  
MOUs and IFAs



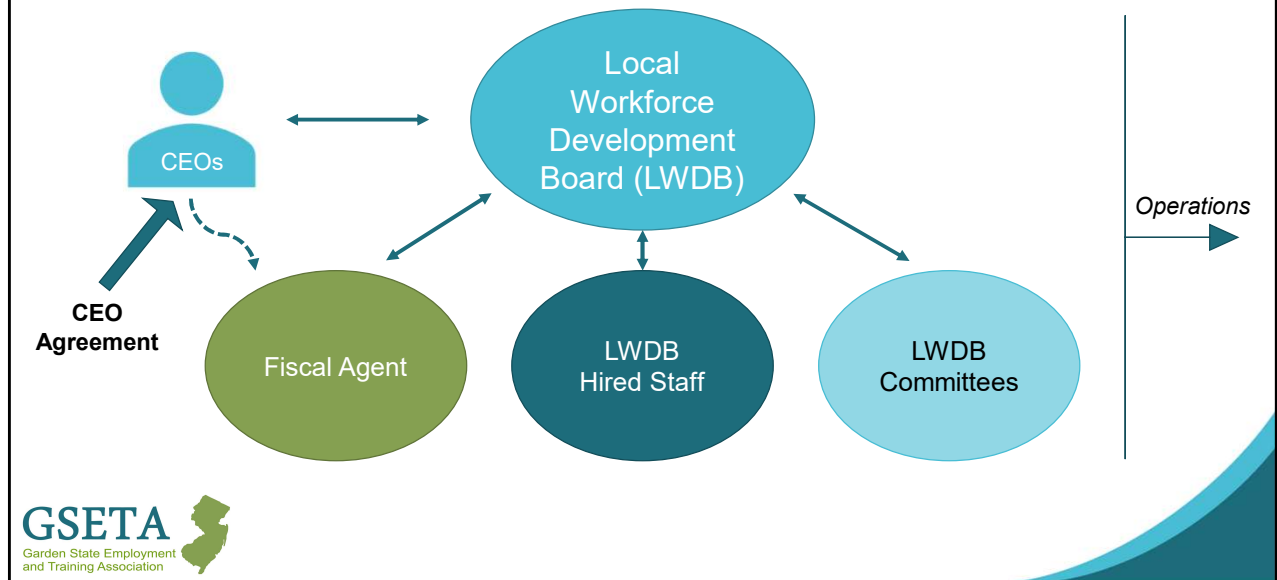
In this section, we will cover key facts about, and components of, various types of agreements, such as: CEO agreements, fiscal agent agreements, LWDB agreements, and Memoranda of Understanding and Infrastructure Funding Agreements. We will also look at best practices for making agreements.

## Types of Agreements



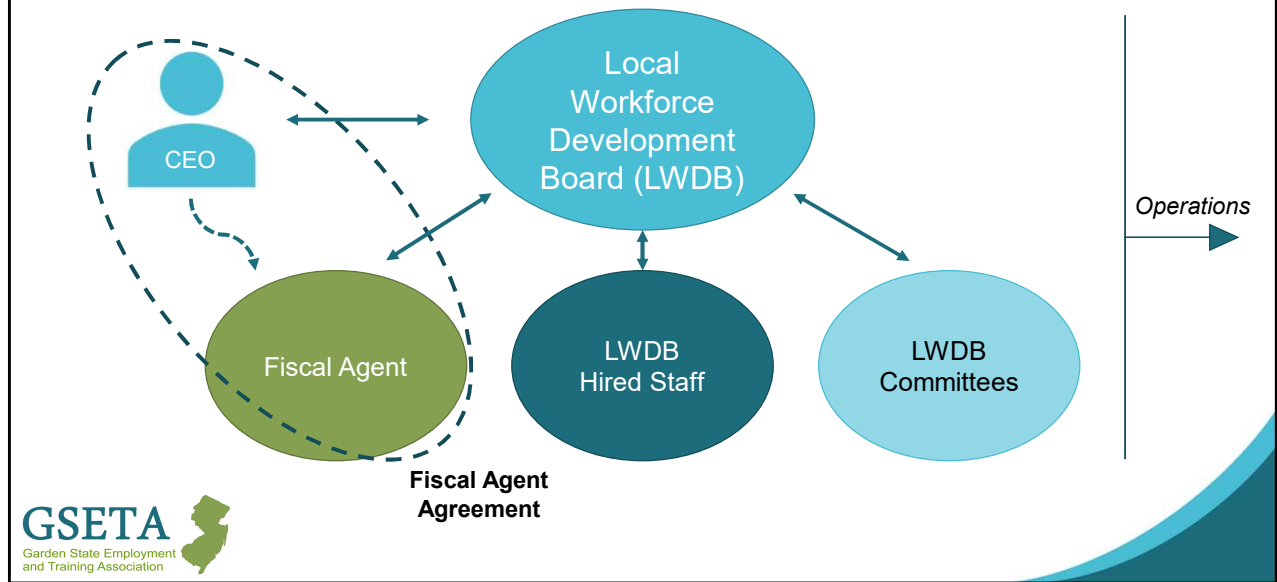
- There are four main types of agreements which we will be exploring in this module. We will look at their relation to each other, as well as definitions and key attributes.
- These agreements are:
  - CEO Agreement
  - Fiscal Agreement
  - LWDB Agreement
  - MOUs and IFAs
- Note that each of these agreements are locally driven and maintained by the LWDA. All agreements must be made available upon request by federal agencies, and submitted annually to New Jersey Department of Labor, according to the policy document NJ WIN WD-PY21-6.

## Relation Between Agreements

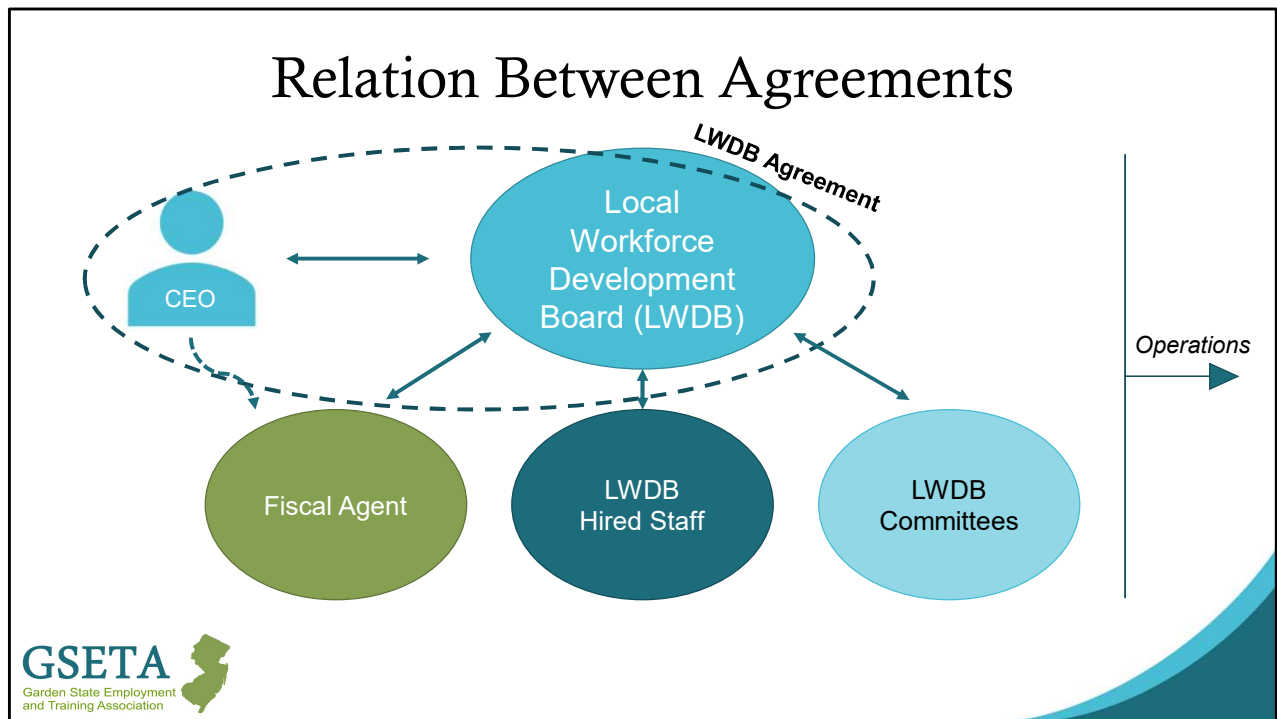


- Let's visualize the four main types of agreements we will be unpacking today. First, the **CEO agreement** is between CEOs *if* there happen to be more than one county in a Local Workforce Development Area. This agreement outlines the roles and liability of the respective CEOs. It is not necessary if there is only one CEO.

## Relation Between Agreements

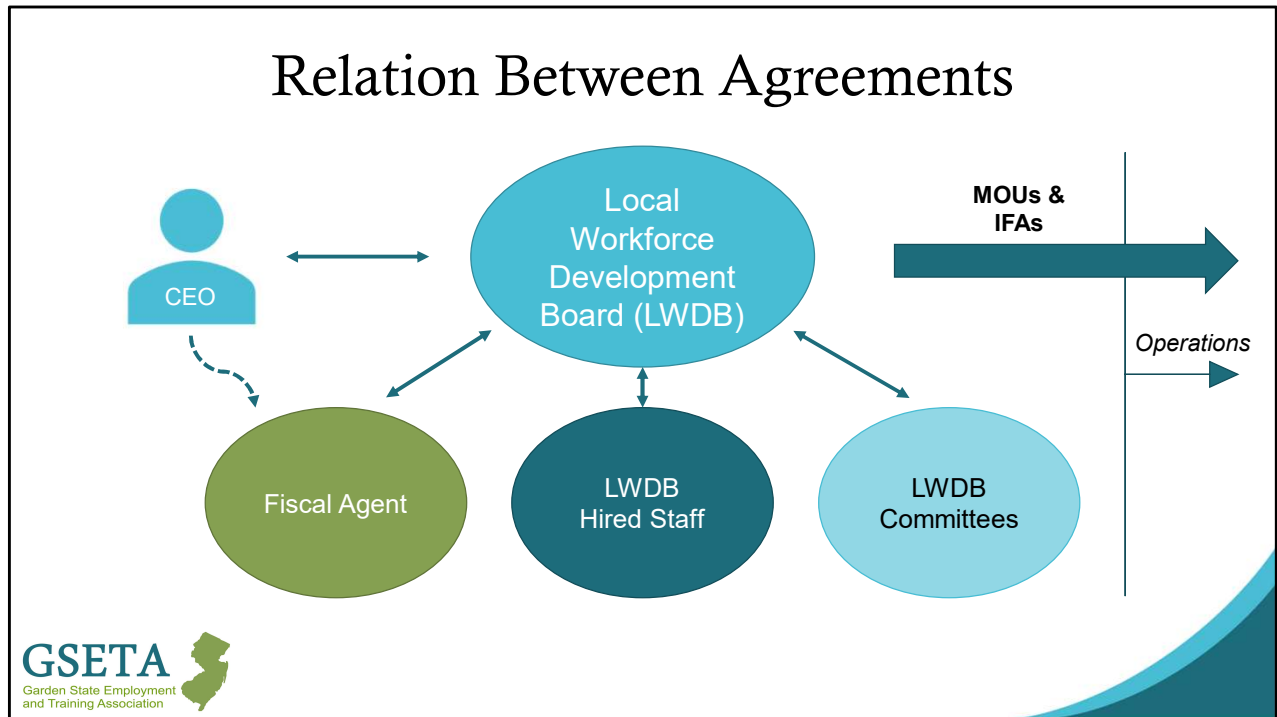


- Second, the **fiscal agent agreement** is between the CEO and the fiscal agent, and outlines the role and responsibilities of the fiscal agent.



- Third, the **LWDB agreement** is between the CEO and the LWDB. In a nutshell, this agreement establishes the partnership between the two, specifying their roles and responsibilities as they share governance responsibilities.

## Relation Between Agreements



- And finally, **MOUs and IFAs** are agreements between the LWDB and the service delivery partners that make up the One Stop System. MOUs can also be between the partners themselves. These agreements clarify services, referrals, and budgets, among other things.
- Next we will look at each one of these agreements in more detail!



# Chief Elected Official Agreement

## *Purpose*

The purpose of this agreement is to outline the roles and responsibilities of the CEOs, in cases when there is more than one county in a LWDA.



- The purpose of the Chief Elected Official Agreement is to outline the roles and responsibilities of the CEOs, in cases when there is more than one county in a LWDA.
- This agreement is *only* required when more than one county makes up the local workforce development area. In this situation, the CEOs must execute a written agreement that specifies their respective roles and responsibilities.

# Chief Elected Official Agreement

## *Required Elements*

Liability of funds

Grant recipient  
and signatory

Fiscal agent  
designation

LWDB budget  
approval

Participating  
CEOs

Amendment or  
change to the  
CEO agreement



- Required elements (if you need a CEO agreement) include:
  - **Liability of funds.** This acknowledges that CEOs are ultimately responsible for the proper use of public money and outlines how that share of the responsibility would be determined for each CEO and county.
  - **Grant recipient and signatory.** In the absence of a fiscal agent, this section acknowledges that the CEOs are the grant recipients and signatories, and outlines the process they will use to sign contracts and agreements, since there are more than one CEO. This may be accomplished by designating a **lead CEO**, which we will discuss more later.
  - **Fiscal agent designation.** If a fiscal agent is designated, an agreement must be executed for that.
  - **LWDB budget approval.** This describes the process for reviewing and approving the budget.
  - **Participating CEOs.** The agreement must contain names, titles, contact information, signatures, and dates for each CEO of the LWDA.
  - **Amendment or change to the CEO agreement.** This outlines the process for amending or changing the CEO agreement. This agreement must be maintained in LWDB records and available for federal or state review.
- There are several other items which are not required to include, but are recommended...

# Chief Elected Official Agreement

## *Recommended Elements*

Designation of  
a lead CEO

LWDB  
representation

Communication

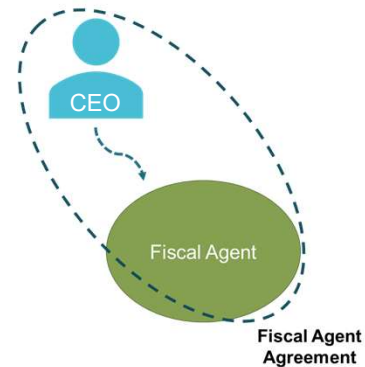


- Recommended elements in the CEO agreement include:
  - **Designation of a lead CEO.** It is helpful to designate a lead CEO who can act on behalf of the other(s). If there *is* a lead CEO, share the appointment process and term of the lead, that the lead serves as the signatory, that the lead can make decisions, and name, title and contact information of the appointed lead.
  - **LWDB representation.** This outlines how the CEOs will ensure the LWDB representation complies with all applicable policies.
  - **Communication.** This describes how the CEOs will communicate both with each other, and with the LWDB themselves.
- For more details about the CEO agreement, please see **Appendix B: Chief Elected Official Agreement of NJ WIN WD-PY21-6.**

# Fiscal Agreements

## *Purpose*

The purpose of a fiscal agreement is to identify the local fiscal agent and how WIOA public funds are managed.



- The purpose of a fiscal agreement is to identify the local fiscal agent and how WIOA public funds are being managed. This agreement is between the CEO or CEOs, and the fiscal agent.
- Recall that although the board may serve as the fiscal agent, the CEO may optionally designate an entity and/or person to serve as the fiscal agent for workforce funds. However, whether or not an individual has been specifically designated as the local fiscal agent, there *will* be a fiscal agent in the sense that some entity is responsible to receive and manage public funds. For that reason, there should always be a fiscal agreement, although this *may* be combined with the LWDB agreement. We will revisit combining these two agreements a bit later.



## Fiscal Agent - Review

Role	Responsibilities
<p>Carry out fiscal-related governance responsibilities.</p> <p>See § 679.420</p>	<ul style="list-style-type: none"><li>✓ Receive funds</li><li>✓ Ensure sustained fiscal integrity and accountability</li><li>✓ Respond to audit financial findings.</li><li>✓ Maintain proper accounting records and adequate documentation.</li><li>✓ Prepare financial reports.</li><li>✓ Provide technical assistance to subrecipients regarding fiscal issues.</li><li>✓ <i>Other tasks as assigned</i></li></ul>



- Let's briefly review the role and responsibilities of the fiscal agent.
- The basic role of the local fiscal agent is to carry out fiscal-related governance responsibilities. **As such, it is important to note that the LWDB drives policy and sets the mission and vision, and the fiscal agent follows and supports this leadership from the board.**
- Main responsibilities include:
  - Receive funds
  - Ensure sustained fiscal integrity and accountability
  - Respond to audit financial findings.
  - Maintain proper accounting records and adequate documentation.
  - Prepare financial reports.
  - Provide technical assistance to subrecipients regarding fiscal issues.
  - *Other tasks as assigned*

# Fiscal Agreements

## *Required Elements*

- Parties
- Purpose
- Terms of Agreement
- Roles and Responsibilities
- Assurances
- Contract Procedures
- Authority and Signatures
- Change of a New CEO



- New Jersey Department of Labor and State Employment and Training Commission have established the following required elements for a fiscal agreement:
- **Parties.** The fiscal agent and the CEO are identified.
- **Purpose.** The purpose of outlining the roles and responsibilities of the fiscal agent is explained.
- **Term of Agreement.** This section sets the start and end dates of this agreement, as well as the circumstances and procedure to terminate the agreement outside of this timeframe.
- **Roles and Responsibilities.** This section lists the various roles and responsibilities of the fiscal agent, which include the following:
  - Contracts. Specify what contracts must include.
  - Reporting of finances
  - Reconciliation of records and reports
  - Monitoring all fiscal activities of the LWDA, sub-recipients, service providers, and contractors
- **Assurances.** This section of the agreement provides assurances that the fiscal agent
  - Will receive and manage public funds,
  - Is responsible for the receipt, disbursement, accounting and reporting of all funds,
  - Will maintain proper internal control systems (which should be described here),

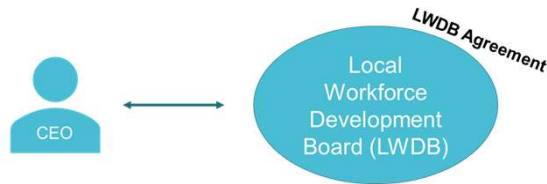
and

- Will follow processes, also shared, to draw requests from and issue funding to subrecipients and vendors.
- **Contract Procedures.** This section describes 1) who has the authority to make changes to the agreement, including the process to execute the agreement and 2) the circumstances of and procedures for modifying the agreement.
- **Authority and Signatures.** This section lays out the authority of the CEO and fiscal agent to sign the agreement and commit the entities they represent; then signatures follow.
- **Change of a New CEO.** This section describes the process for when a new CEO begins and how that CEO will acknowledge to the LWDB receipt, understanding, and compliance with this agreement.
- For more details about the fiscal agreement, please see **Appendix C: Chief Elected Official and Fiscal Agent Agreement of NJ WIN WD-PY21-6.**

# LWDB Agreement

## *Purpose*

The purpose of this agreement is to outline the roles of and relationship between the board and the CEO.



- The LWDB agreement is between the LWDB and the CEO.
- The purpose of this agreement is to outline the roles of and relationship between the board and the CEO.



# LWDB Agreement

## *Required and Recommended Elements*

### Required Elements

LWDB membership, including appointment

Roles and responsibilities of the LWDB and CEO

Authorized signatures

Amendments, change or election

### Recommended Elements

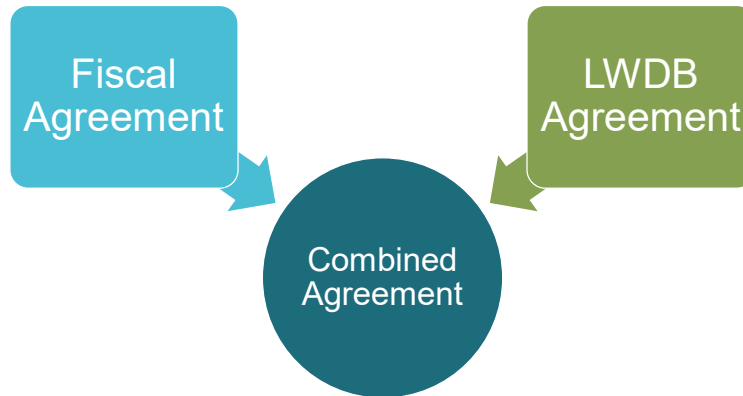
Communication and information sharing between LWDB and CEO



- This agreement is **required** to address:
  - LWDB membership, including appointment
  - Roles and responsibilities of the LWDB and CEO, as it relates to:
    - Local plan requirements
    - Budget and approval
    - Workforce system operator
    - LWDB policies
    - Memorandum of understanding
  - Authorized signatures
  - Amendments, change, or election
- In addition, it is **recommended** this agreement address communication and information sharing between LWDB and CEO.
- It is important to make sure that your agreements, such as the LWDB and fiscal agreement, are aligned with each other.
- For more details, please see **Appendix D: Local Workforce Development Board Partnership Agreement** of policy document NJ WIN WD-PY21-6.

## Combining Agreements

If the LWDB or staff to the LWDB are serving as the fiscal agent, the fiscal agent agreement (between the CEO and fiscal agent) may be combined with the LWDB agreement (between the CEO and LWDB).



- There is one scenario in which agreements may be combined. If the LWDB or staff to the LWDB are serving as the fiscal agent, the fiscal agent agreement (between the CEO and fiscal agent) may be combined with the LWDB agreement (between the CEO and LWDB).

# Introduction to MOUs and IFAs

Shared Customers

Shared Services

Shared Costs




- **MOUs and IFAs** are operational agreements that help to translate the vision and plans of the CEO and LWDB into specific service plans in the One Stop Career Center. According to policy document NJ WIN WD-PY22-4.2, “These agreements guide partners in setting plans and budgets for operationalizing [the] shared customers, shared services, and shared costs approach.” MOUs and IFAs are tools for deepening partnerships, building new partnerships, and enhancing service integration.
- MOUs and IFAs must be signed by CEOs and LWDBs, as well as authorized representatives of each partner program. Let’s review MOUs and IFAs in more detail starting with MOUs...

# MOUs

---

## *Purpose*



### Memoranda of Understanding (MOUs)

Purpose is to establish how partners collaborate to deliver a set of integrated services for customers, including detailing co-enrollment, referral, and cross-training mechanisms.

- The purpose of an MOU is to establish how partners collaborate to deliver a set of integrated services for customers, including detailing co-enrollment, referral, and cross-training mechanisms.
- MOUs primarily exist between the board and partners.

## Memoranda of Understanding

- All partners, both on-site and off-site, should be part of an LWDA's One Stop MOU.
- Must include service agreements, specifications regarding access to services, staffing levels, equipment usage, and referral mechanisms.



- All partners, both on-site and off-site, should be part of an LWDA's One Stop MOU.

While additional MOUs may exist between partners, the One Stop MOU should include all required and recommended partners operating in the One Stop Career Center.

- In addition, memoranda of understanding must include service agreements, and specifications regarding access to services, staffing levels, equipment usage, and referral mechanisms. NJ DOL provides a template for MOUs that local areas can customize to capture the specific agreements made among their partners.

# IFAs

## *Purpose*



- The purpose of an IFA is to detail how all One Stop partners will contribute to infrastructure and additional One-Stop related costs. There are different ways to determine these costs equitably, such as considering staffing levels through Full Time Equivalent (FTE) or another method, or calculating the square footage that each partner uses.

# Infrastructure Funding Agreements

The IFA should contain a comprehensive One Stop Budget that reflects all costs and contributions. Shared operating costs include:

## Infrastructure Costs

- Rent
- Utilities
- Maintenance
- Equipment for assessments or assistive technology

## Additional Potential Costs

- Staff professional development
- Welcome desk or greeter
- Other shared services



- Under WIOA, the partners of the One Stop system need to use a portion of their funds to maintain the job center. An Infrastructure Funding Agreement (or IFA) should contain a comprehensive One Stop Budget that reflects all costs and the contributions of all partners, including in-kind contributions. In-kind contributions are non-cash inputs or resources that are given a cash value.
- **Shared operating costs include both infrastructure and additional potential costs.**
- **Infrastructure costs** include but are not limited to:
  - Rent of the building
  - Utilities, including Internet
  - Maintenance
  - Equipment for assessments or assistive technology for people with disabilities
  - Etc.
- **Additional costs** includes items such as:
  - Staff professional development, such as a specialized training that enhances all partners
  - Welcome desk or greeter
  - Shared services such as initial intake of clients, assessment, and referral

# Infrastructure Funding Agreements

## *Other Considerations*



Costs should be proportionate to usage and benefits



IFAs are for all partners



- The costs for each partner should be proportionate to their usage of these items or services, and the benefits they receive. According to TEGL 17-16, a partner’s contribution “must be an allowable, reasonable, necessary, and allocable cost to the program...”
- Like MOUs, IFAs should be made for all partners. Thereby, an operating budget demonstrates that resources are being leveraged within the community via both cash **and** in-kind contributions.
- New Jersey Department of Labor provides both detailed guidance for MOUs and IFAs as well as templates, which can be found in the “References/Resources” section at the end of this module.



## MOU & IFA Template



[Guidance for Preparing Memorandum of Understanding Including Infrastructure Funding Agreement for the One Stop Delivery System](#)

[New Jersey MOU and IFA Template](#)



- New Jersey Department of Labor has a MOU and IFA template that LWDBs must use. There is also an accompanying guide.
- This template must be used for all One Stop partners that are required in New Jersey. For detailed information about required, recommended, and optional One-Stop partners, please see the policy document “NJ WIN WD-PY22-3,” which is all about One Stop Career Center Partners.



## Best Practices for Agreements

**Agreements should be:**

- ✓ Created collaboratively
- ✓ Flexible
- ✓ Reviewed regularly
- ✓ Complete (signed, approved by the state, and executed)

- Before we conclude this module, let's discuss some best practices for agreements. Agreements should be:
- **Created collaboratively.** The process of creating the agreement should be done collaboratively, where the parties involved design it together. This collaborative approach should continue, as well. It is important to ensure that all funding and operating agencies at the state and local levels are aware of the agreements that have been developed. Local partners develop these agreements, and state partners sign off to ensure that all parties are aware of the agreements that have been made and are on the same page regarding expectations the MOU and IFA have set.
- **Flexible.** Agreements should take into account the normal fluctuations of life, and the fact that many things are estimates. For example, if \$300 dollars is budgeted for heating every month, and it's an unusually warm winter, what will happen to that extra money? Or, if it's an unusually *cold* winter, and extra money is needed, where will that money come from?
- **Reviewed regularly.** It is recommended that agreements be reviewed on an annual basis, and kept current. The One Stop Operator should lead this review process, but all involved partners should also review the agreements. It is important to review the agreements to see if they still make sense, if changes need to be made, and what those changes will be.
- **Complete.** That is, ensure that agreements are signed, approved by the state, and

executed properly.

# Wrap Up

Key Takeaways, Application Guide, Technical Assistance  
Registration & Resources/References

- As we wrap up this module, let's quickly review some key takeaways and discuss the method of registering for technical assistance.

## Key Takeaways

---

---

Having written agreements in place are important because they provide structure for collaboration in the One Stop System, clarify roles and responsibilities, and set up firewalls.

---

The agreements required by WIOA are the CEO agreement (if a LWDA has more than one county), the fiscal agent agreement, the LWDB agreement, and Memoranda of Understanding and Infrastructure Funding Agreements.

---

Best practices for agreements are that they be: created collaboratively, flexible, reviewed regularly, and complete (signed, approved by the state, and executed).



- The main takeaways from today include:
  - Having written agreements in place are important because they provide structure for collaboration in the One Stop System, clarify roles and responsibilities, and set up firewalls.
  - The agreements required by WIOA are the CEO agreement (if a LWDA has more than one county), the fiscal agent agreement, the LWDB agreement, and Memoranda of Understanding and Infrastructure Funding Agreements.
  - Best practices for agreements are that they be: created collaboratively, flexible, reviewed annually, and complete (signed, approved by the state, and executed).

# Application Guide & Technical Assistance

---



Go through the prompts for reflection in your application guide.



Address outstanding questions with a WIOA Subject Matter Expert by registering for Technical Assistance. Click the link below or scan the QR code.



[Click Here to Sign Up for TA!](#)

- As a reminder, go through the prompts for reflection in your application guide. Address outstanding questions with a WIOA Subject Matter Expert by registering for Technical Assistance. You can either click on the link or scan the QR code to be taken to the registration form.

## References/Resources:

[NJ WIN WD-PY21-6 "Local Governance under the Workforce Innovation and Opportunity Act \(WIOA\)"](#)

[TEGL 17-16 "Infrastructure Funding of the One-Stop Delivery System"](#)

[NJ WIN WD-PY22-3 "One Stop Career Center Partners"](#)

[NJ WIN WD-PY22-4.2 "New Jersey Memorandum of Understanding \(MOU\) and Infrastructure Funding Agreement \(IFA\) Guidance for Program Year 2022 \(PY22\) and Program Year 2023 \(PY23\)"](#)

[Guidance for Preparing Memorandum of Understanding Including Infrastructure Funding Agreement for the One Stop Delivery System](#)

[New Jersey MOU and IFA Template](#)

Garden State Employment and Training Association

- For further information or reference, please refer to the following resources:
  - New Jersey Workforce Innovation Notice WD-PY21-6 "Local Governance under the Workforce Innovation and Opportunity Act (WIOA)"
  - TEGL 17-16 "Infrastructure Funding of the One-Stop Delivery System"
  - NJ WIN WD-PY22-3 "One Stop Career Center Partners"
  - NJ WIN WD-PY22-4.2 "New Jersey Memorandum of Understanding (MOU) and Infrastructure Funding Agreement (IFA) Guidance for Program Year 2022 (PY22) and Program Year 2023 (PY23)"
  - Guidance for Preparing Memorandum of Understanding Including Infrastructure Funding Agreement for the One Stop Delivery System
  - New Jersey MOU and IFA Template



Thank You!

- Thank you for your time!