

Northwest Workforce Service Area Letter Number 2

Subject: Allowable Costs

Issuance Date: 1 January 2004, Revised 1 July 2008

Effective Date: 1 January 2004

Action: Establishes guidelines for proper accounting of WIA Title I expenditures.

Who: Workforce Council Members, Local Elected Official Board Members, and Program Providers.

Background: The United States Department of Labor has developed new definitions of allowable administrative and program costs for the WIA Title I programs.

Policy and Procedures:

1. WIA limits local area expenditures for administrative purpose to no more than ten percent of the amount allocated to the local area.
2. The cost guidelines established by DOL and the Minnesota Department of Employment and Economic Development are to be followed by the Northwest Workforce Service Area. (See Attachment A.)

Cites/References:

WIA Title I Matrix of Specific Cost and Category Allocation (1 July 2006)
Training and Employment Guidance Letter No. 1-00
WIA Regulations 20 CFR Sections 667.210, 667.220
DEED Cost Category Definitions from the 2006 Local Planning Guidance

Attachment:

A. Workforce Investment Act Title 1B Matrix of Specific Cost and Category Allocation Guide (1 July 2006)

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ATTACHMENT A

WIA TITLE I

MATRIX OF SPECIFIC COST

AND

CATEGORY ALLOCATION

Workforce Investment Act

Title IB Matrix of Specific Cost and Category Allocation Guide

MODIFIED VERSION OF DOL CATEGORIES

Title IB Matrix of Specific Cost and Category Allocation

This guide is for the classification of costs related to WIA Title I-B Adult- and Dislocated Worker-related programs. This version has been updated to correlate with Minnesota's model for classification of Title IB costs effective July 1, 2006. Minnesota's definitions for Title I-B cost categories are in the *WIA Title I-B and Related Activities Manual*, Chapter 2.2, Attachment 2, located at:

http://www.deed.state.mn.us/wpd/policy/titleIB/2.0_fiscal_mngmnt/fiscal_mngmnt2.2.htm

Users of this guide are cautioned that changes may be in order as clarification of what is allowable by cost category becomes available and interpretations are made. Any expenses categorized as 'Core' in this matrix are to be conducted in a WFC.

Grantee Costs	DOL Model		Minnesota Model					Notes/Comments
	Admin	Program	Admin	Core	Direct Customer Training	Service Related	Support Services	
Accounting	X	X	X			X		20 CFR 667.220(b)(1)(i) and 667.220(c)(5)(i). Administrative if related to admin activities. Program cost if related to determine performance accountability.
Administrative overhead	X		X					20 CFR 667.220(a)
Advertising	X	X	X			X		20 CFR 667.220(b)(3) and 667.262(b)(6). Administrative cost if related to admin activities. Program cost if related to employer outreach and job development
Assessments, basic (initial) of skill levels, aptitudes, abilities and supportive service needs		X	X (WFC)		X (non-WFC)			20 CFR 662.240(b)(3) and WIA Sec 134(d)(2)(C). Program: (MN: core cost if conducted in WFC; service related cost if conducted outside of WFC)
Assessments, comprehensive (specialized, employability, testing) including diagnostic testing, in-depth interviewing, employment plans, individual and group counseling, career planning, short-term pre-vocational services		X						WIA Sec 134 (d)(3)(C) 20 CFR 663.200
Audit functions	X		X					20 CFR 667.220(b)(1)(vii)
Budget preparation	X	X	X	X		X		20 CFR 667.220(b)(1)(i) and 667.220(c)(2). WIA Rules Page 49367-1st column-of Federal Register. Administrative cost if related to overall admin function. Program cost (MN: core {if related to core}; service related {if related to other programmatic components}) if related to program.

Business services	X	X	X	X		X		Administrative category if managing business services. Program cost (MN: core category if providing orientation or information to an employer; service-related category if services are beyond orientation/information.
Grantee Costs	Admin	Program	Admin	Core	Direct Customer Training	Service Related	Support Services	Notes/Comments
Case management		X				X		WIA Sec 134 (d)(3)(C) and 20 CFR 663.200
Clerical assistant to supervisor of line staff		X		X		X		20 CFR 667.220(c)(3). Page 49367-1 st column. Program cost (MN: core {if related to core}; service related {if related to other programmatic components})
Clerical assistant to training personnel	X	X	X			X		20 CFR 667.220. The classification of these costs depends on the nature of the training. If the training is being provided for staff, the cost is administrative. If the training is being provided for job seekers, the cost is program.
Complaints	X		X					20 CFR 667.220(b)(1)(vi)
Continuous improvement	X	X	X			X		20 CFR 667.220(c)(6): Administrative cost if related to overall administrative function. Program cost if related to other programmatic components
Contracting - Administrative activities	X		X					20 CFR 667.220(c)(1)
Contracting: Program activities		X				X		20 CFR 667.220(c)(4)
Contract/Purchase order Preparation	X	X	X			X		20 CFR 667.220 (b)(1)(ii); 667.220(c)(2). Administrative cost if related to overall administrative function. Program cost if related to other programmatic components
Core Services		X		X				WIA Section 134(d)(2); 20 CFR 662.240 Local Planning Guidance, Attachment B, Page 1, Core Services
Counseling - career (job search related) Counseling - Career (employability plant)		X		X		X		WIA Section 134 (d)(2)(D); 20 CFR 662.240 WIA Section 134 (d)(3)(C); 20 CFR 663.200
Counseling - group and individual		X		X		X		WIA Section 134 (d)(3)(C); 20 CFR 663.200
Data processing - see Information Systems								
Eligibility determination		X		X				WIA Section 134(d)(2); 20 CFR 662.240(b)(1)
Eligible list of providers - development and maintenance		X		X				20 CFR 667.220(c)(5)and WIA Section 134(d)(4)(F)
Eligible provider information		X		X				WIA Section 134(d)(4)(F); 20 CFR 662.240(b)(6)
Equipment/equipment expenditures	X	X		X		X		WIA Section 181(e); 20 CFR 667.220(b)(5); 667.220 (c)(5); 667.260
Financial management systems	X		X			X		WIA Section 184(a); 20 CFR 667.220 (b)(1)(i); 667.220 (c)(5). Administrative cost if related to overall admin function. Program cost if related to participant tracking.
Fiscal functions	X		X			X		WIA Section 184(a); 20 CFR 667.220 (b)(1)(i); 667.220 (c)(5). Administrative cost if related to overall admin function. Program cost if related to participant tracking.
Financial management system	X		X					20 CFR 667.220(b)(5)

purchase								
Follow-Up analysis/services		X		X				WIA Section 134(d)(2); 20 CFR 662.240(b)(11)
Incident reports	X		X					WIA Section 181(c); WIA Section 184; 20 CFR 667.200(b)(1)(vi)
Indirect costs	X	X	X			X		20 CFR 667.220(a); 667.220(c)(3) Specific costs charged to an overhead or indirect cost pool that can be identified as a program cost may be charged as a program cost. Documentation of such charges must be maintained.
Grantee Costs	Admin	Program	Admin	Core	Direct Customer Training	Service Related	Support Services	Notes/Comments
Individual training accounting system maintenance		X				X		20 CFR 667.220(c)(5)(i)
Information including jobs, jobs in demand, support services, job skills, filing claims for unemployment insurance, secondary providers, financial aid, vocational rehabilitation, etc.)		X		X				WIA Section 134(d)(2); 20 CFR 662.240(b)(6)(v); 662.240(b)(7); 662.240(b)(8); 662.240(b)(9)
Information systems	X	X	X	X		X		WIA Section 184(a); 20 CFR 667.220(b)(1)(ix); 667.220(b)(5); 667.220(c)(5). Program costs (MN core for CRS; service related costs for any other programmatic cost.
Insurance and Indemnification	X	X	X	X		X		20 CFR 667.220(b)(3); 667.220(c)(3) Administrative if admin function. Program costs (MN: core if related to core; service related if related to other programmatic components).
Intensive services		X				X		WIA Section 134(d)(3); 20 CFR 663.200
Interpreter and translation				X		X		WIA Section 184(a); 20 CFR 667.220(b)(1)(ix); 667.220(b)(5); 667.220(c)(5). Program costs (MN: core for CRS and Service related costs for any other programmatic cost)
Investigations	X		X					WIA Section 185; 20 CFR 667.220 (b)(1)(vi)
Job Coach		X		X		X		WIA Section 134 (d)(3)(c)(ii) with individuals w/o disabilities. Job coaches also assist individuals with disabilities under supportive services (WIA Section 101(46))
Job developer		X		X		X		WIA Section 134 (d)(3)(c)(ii) for individual job development (i.e. intensive services – service related cost); WIA Section 134 (d)(2)(D) for overall job development (i.e. core service)
Job search assistance		X		X		X		WIA Section 134(d)(3)(c)(ii) for individual job development (i.e. intensive services- service related cost); WIA Section 134 (d)(2)(D) for overall job development (i.e. core service); 20 CFR 662.240 (b)(4)
Job search - out of area		X				X		WIA Section 134 (d)(3)(c)(ii) for individual job development (i.e. intensive services - service related cost); 20 CFR 663.200
Job vacancies		X		X				WIA Section 134 (d)(2)(E)(i); 20 CFR 662.240(b)(5)(i)
Labor market analysis		X		X				WIA Section 134(d)(2)(E); 20 CFR 662.240(b)(5); 667.220 (c)(5)

Legal staff	X		X					20 CFR 667.220 (b)(1)(viii)
Licensing fees		X			X			WIA Manual Chapter 2.10 (Categorization of Testing/Licensing Fees)
Local boards and boards of chief elected official required by local public/private partnership including establishment of	X	X	X			X		20 CFR 667.220(a); 20 CFR 667.220(c)(2) It is primarily administration cost. It is possible that if boards are reviewing specific programs, one probably could claim a program cost.
Maintenance/Repair functions	X	X	X	X		X		WIA Section 181(e); 20 CFR 667.220(b)(5); 20 CFR 667.220(c)(5); 20 CFR 667.260 Administrative cost if equipment is for admin purposes; Program cost if Equipment is for program purposes (Core if appropriate, otherwise Service Related).
Grantee Costs	Admin	Program	Admin	Core	Direct Customer Training	Service Related	Support Services	Notes/Comments
Materials and supplies	X	X	X	X		X		20 CFR 667.220(b)(3); 667.220(c)(2). Administrative Cost if Materials/Supplies are for admin purposes; Program cost if supplies are for program purposes (Core if appropriate, otherwise Service Related)
Memberships	X	X	X			X		20 CFR 667.262(b)
Memorandum of Understanding (MOU) negotiating (and other program-level agreements)	X	X	X			X		Page 49367, column 1 (Federal Register, August 11, 2000)
Military Selective Services Act enforcement		X		X				WIA Section 189(h); 20 CFR 667.250 (MN Program cost: core {eligibility issue})
Monitoring	X	X	X	X		X		20 CFR 667.220(b)(2); 20 CFR 667.220(c)(5)(i). Administrative cost if monitoring administrative functions; Program cost if monitoring participants and performance information (MN core if monitoring core service functions; service related costs for all others)
Monitoring/General oversight	X		X					20 CFR 667.200(b)(2)
Monitoring service providers	X					X		20 CFR 667.220 (c)(5)(i)
Motor pools	X	X	X			X		20 CFR 667.220(b)(4); 667.220(c)(2) Administrative cost for admin expenses; Program cost for program purposes
Non-Discrimination	X		X					20 CFR 667.220(b)(1)(vi); 667.220(a)
Orientation, general		X		X				WIA Section 134 (d)(2)(B); 20 CFR 662.240(b)(2)
Outreach, general		X		X				WIA Section 134 (d)(2)(B); 20 CFR 662.240(b)(2)
Outreach to employers to obtain job listings - see Business Services		X				X		20 CFR 667.262
Participant payment processing		X				X		20 CFR 667.220 (c)(4)
Participant tracking system purchase		X				X		20 CFR 667.220(c)(5)
Payroll functions	X		X					20 CFR 667.220(b)(1)(v)
Payroll systems	X		X					20 CFR 667.220(b)(1)(v)
Personnel systems	X		X					20 CFR 667.220(b)(1)(iv)
Personnel management functions	X		X					667.220(b)(1)(iv)
performance information for local programs including eligible providers		X		X				WIA Section 134 (d)(2); 20 CFR 662.240(b)(6); 667.220(c)(5)(iii)
Public relations (general)		X		X				WIA Section 134(d)(2)(B); 20 CFR 662.240(b)(2)

Performance tracking (MIS)		X		X		X		WIA Section 185; 20 CFR 667.220(c)(5)(iv) Program cost (MN: core costs for core participants; service related costs for other participants)
Placement assistance		X		X				WIA Section 134 (d)(2)(D); 20 CFR 662.240(b)(4)
Postage	X		X	X		X		20 CFR 667.220(b)(3); 20 CFR 667.220(c)(2) Admin costs for costs for administrative activities. Program costs (MN: core for core participants; service related costs for other participants) for program activities
Pre-award costs	X		X					www.doleta.gov/neg/admin_reg.cfm
Premises	X	X	X					20 CFR 667.220(b)(3); 667.220(c)(2)
Professional Services	X	X	X			X		20 CFR 667.220(b); 667.220(c)(2)
Program analysis	X	X	X	X		X		WIA Section 134 (a)(2)(B)(ii); 20 CFR 667.220(b)(5); 667.220(c)(5), Administrative costs for analysis related to admin activities. Program costs (MN: either core or service related for program planning; performance information).
Grantee Costs	Admin	Program	Admin	Core	Direct Customer Training	Service Related	Support Services	Notes/Comments
Program design/curriculum		X				X		WIA Section 134 (d)(3)-Intensive WIA Section 134 (d)(4)-Training
Program performance/cost information		X		X				20 CFR 667.220(c)(5)(iii)
Property management		X		X		X		20 CFR 667.220(b)(1)(iii) – general administrative functions; 67.220(c)(2) – program functions.
Publication and printing	X	X	X			X		20 CFR 667.220(b)(3); 667.220(c)(2)
Procurement function	X		X					667.220(b)(1)(ii)
Purchasing functions	X		X			X		20 CFR 667.229 (b)(1)(ii) –general administrative functions; 7.220(c)(2)-program purposes.
Rental costs	X	X	X			X		20 CFR 667.220(b)(3) – general administrative functions; 67.220(c)(2) – program purposes
Staff training and education	X	X	X			X		20 CFR 667.220 (c)(6) – Administrative cost if related to admin functions. Program Cost if related to program functions
Subscriptions	X	X	X	X		X		20 CFR 667.220(b)(3); 667.220(c)(2) Administrative cost if related to admin functions. Program cost (MN: either core or service related costs) if related to program functions
Sub recipients of operators for the purchase of core, intensive and training services		X		X	X	X		20 CFR 667.220 (c)(4). MN Program cost: Direct customer cost is only to be charged if a training payment (i.e., tuition, ITA, etc.) is directly made to the customer or on behalf of the customer
Supervisors - font-line		X				X		Federal Register, August 11, 2000, page 49367; 20 CFR 667.220(c)(2).
Supervisors - Admin/other/non-frontline	X		X					Administrative cost if related to admin functions. Program cost if related to program functions
Supplies	X	X	X	X		X		20 CFR 667.220 (b)(3); 667.220(c)(2). Administrative cost if related to admin functions. Program cost (MN: core and/or service related costs) if related to program functions
Taxes	X	X	X			X		20 CFR 667.220(b)(3); 667.220(c)(2). Administrative cost if related to admin functions. Program cost (MN: core

								and/or service related costs) if related to program functions
Testing fees		X			X			WIA Manual Chapter 2 - 2:10: "Categorization of Testing/Licensing Fees
Training consultation from staff		X				X		20 CFR 667.220 (c)(6)
Training payments _ OJT, occupational skills, ABE, skill upgrading, entrepreneurial, job readiness, customized training, entrance fees		X			X			WIA Section 134(d)(4); 20 CFR 663.300
Training plans - development of		X				X		WIA Section 134 (d)(3); 20 CFR 663.200
Training services - see Training payments								
Transportation for participants/travel for staff	X	X	X	X		X	X	20 CFR 667.220(b)(4); 20 CFR 667.220(c)(2) Administrative cost if related to admin functions. MN Program cost if related to program functions. Transportation costs for participants would be 'Supportive'. Travel costs for staff could be administrative or MN program costs 'Core' if related to resource area or 'Service Related for all other.
Grantee Costs	Admin	Program	Admin	Core	Direct Customer Training	Service Related	Support Services	Notes/Comments
Participant Costs:								
Allowances		X					X	WIA Section 101 (46). 20 CFR 663.800.
Clothing		X					X	WIA Section 101 (46). 20 CFR 663.800.
Housing/rental assistance		X					X	WIA Section 101 (46). 20 CFR 663.800.
Incentive/bonus payments (Youth)		X					X	Use Youth's applicable cost category
Internships		X			X	X		WIA Section 134(d)(3)(c); 20 CFR 663.200 MN: Money paid to participants is Direct Customer Training. Other related expenditures are service related costs.
Needs-based payments and financial assistance		X					X	WIA Section 101 (46). 20 CFR 663.800 MN: Supportive cost. <i>WIA Title I-B and Related Activities Manual</i> , Chapter 8, Section 8.4 - Needs-Related Payments
OJT Training		X			X			WIA Section 134(d)(4)(D); 20 CFR 663.310
Payment for Work Experience Programs		X			X	Xx		WIA Section 134(d)(3)(c); 20 CFR 663.200 MN: Money paid to participants is Direct Customer Training. Other related expenditures are Service related costs.
Payments for vocational Exploration		X			X	X		WIA Section 134(d)(3)(c); 20 CFR 663.200 MN: Money paid to participants is Direct Customer Training. Other related expenditures are Service related costs
Relocation Assistance							X	WIA Section 101 (46). 20 CFR 663.800

Tools							X	WIA Section 101 (46). 20 CFR 663.800
Support Services:								
Child Care		X					X	WIA Section 101 (46). 20 CFR 663.800
Family Planning and counseling		X					X	WIA Section 101 (46). 20 CFR 663.800
Financial Counseling		X					X	WIA Section 101 (46). 20 CFR 663.800
Healthcare		X					X	WIA Section 101 (46). 20 CFR 663.800
Legal Aid		X					X	WIA Section 101 (46). 20 CFR 663.800
Meals		X					X	WIA Section 101 (46). 20 CFR 663.800
Post Placement Services		X					X	WIA Section 101 (46). 20 CFR 663.800
Special Services and Materials for persons with disabilities		X	X				X	WIA Section 101 (46). 20 CFR 663.800
Supportive Services Information and referral		X		X			X	WIA Section 134 (d)(2) 20 CFR 662.240 (b)(8)
Temporary Shelter Information and referral		X		X			X	WIA Section 134 (d)(2) 20 CFR 662.240 (b)(8).
Transportation		X					X	WIA Section 101 (46). 20 CFR 663.800