

WHAT

# WORKFORCE INVESTMENT ACT

## TITLE I FUNCTIONS AND ACTIVITIES CONSTITUTE THE COSTS OF ADMINISTRATION SUBJECT TO THE ADMINISTRATIVE COST LIMIT?

The costs of administration are that allocable portion of necessary and reasonable allowable costs of ...

✓ State and local workforce investment boards

✓ direct recipients including:

✓ State grant recipients

✓ local grant recipients

✓ one-stop operators

✓ local grant subrecipient as described at Section 117(d)(3)(b)(I)(II)

✓ local fiscal agents as described at Section 117(d)(3)(b)(I)(II)

... associated with the major functions.

### These costs:

• are not related to the direct provision of workforce investment services, including services to participants and employers.

• can be personnel  
• can be non-personnel

• can be direct  
• can be indirect

## Administrative Costs

### ① General Administrative Functions and Coordination of Functions

- accounting
- audit resolution
- audits
- budgeting
- financial and cash management
- general legal services functions
- incident report resolution
- information system development (see ⑤)
- investigation resolution
- payroll functions
- personnel management
- procurement
- property management
- purchasing
- review resolution
- development of systems and procedures for administrative functions

### ② Oversight and monitoring related to WIA administrative functions.

### ③ Costs of goods and services required for administrative functions of the program, including goods and services such as:

- office supplies
- postage
- rental and maintenance of office space
- rental or purchase of equipment
- utilities

### ④ Travel costs incurred for official business in carrying out administrative activities or the overall management of the WIA system.

### ⑤ Costs of information systems related to administrative functions.

- For example
- personnel
  - procurement
  - purchasing
  - property management
  - accounting and payroll systems including the purchase, systems development and operating costs of such systems.

### ⑥ Awards to subrecipients or vendors that are solely for the performance of administrative functions.

# Administrative or Program Costs

Personnel and related non-personnel costs of staff who perform both administrative functions and programmatic services or activities are to be allocated as

**administrative costs**

or

**program costs**

to the benefitting cost objectives/categories based on documented distributions of actual time worked or other equitable cost allocation methods.

Continuous improvement activities are charged to

**administration**

or

**program**

based on the purpose or nature of the activity to be improved. Documentation of such charges must be maintained

# Program Costs Only

1 Specific costs charged to an overhead or indirect cost pool that can be identified directly as a program cost are to be charged as a program cost

[ Note: Documentation of such charges must be maintained. ]

2 All costs incurred for functions and activities of subrecipients and vendor are charged as a program cost

[ Note: Except for those awards to subrecipients or vendors that are solely for the performance of administrative functions ]

3 Costs of the following information systems including the purchase, systems development and operating (e.g. data entry) costs are charged as a program cost.

-- Tracking or monitoring of participant and performance information

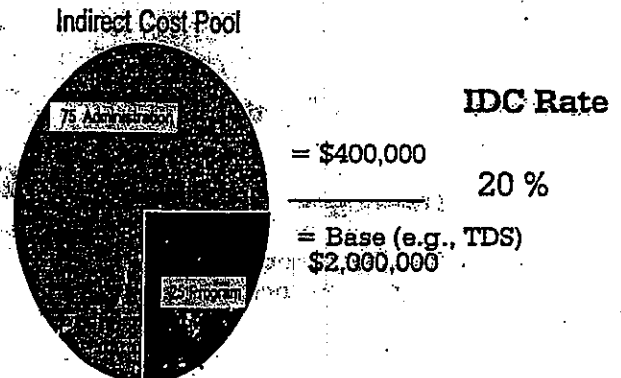
-- Employment statistics information, including job listing information, job skills information, and demand occupation information

-- Performance and program cost information on eligible providers of training services, youth activities, and appropriate education activities

-- Local area performance information

-- Information relating to supportive services and unemployment insurance claims for program participants

That portion of indirect costs determined as a proportionate share of the indirect costs in the indirect cost pool which are the costs of program functions not administrative functions



WIA \* TDS  $\$1,000,000 \times 20\% = \$200,000$  (Indirect Amount for WIA)

25% of \$200,000 = \$50,000 Program

75% of \$200,000 = \$150,000 Administration