What Workforce Investment Act Title I Functions and Activities Constitute the Costs of Administration Subject to 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 - 117(d)(3)(b)(i)(II)
  - Local fiscal agents - 117(d)(3)(b)(i)(II)

...associated with the major functions.

### ADMINISTRATIVE COSTS

<table>
<thead>
<tr>
<th>1</th>
<th>General administrative functions and coordination of functions:</th>
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<tbody>
<tr>
<td></td>
<td>- accounting</td>
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<tr>
<td></td>
<td>- audit resolution</td>
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<td>- audits</td>
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<td>- budgeting</td>
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<td>- financial and cash management</td>
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<td>- general legal services functions</td>
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<td></td>
<td>- incident report resolution</td>
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<td>- information system development (see 5)</td>
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<td>- investigation resolution</td>
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<td>- payroll functions</td>
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<td>- personnel management</td>
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<td>- procurement</td>
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<td>- property management</td>
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<td>- purchasing</td>
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<td>- review resolution</td>
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<td></td>
<td>- development of systems and procedures for administrative functions</td>
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<table>
<thead>
<tr>
<th>2</th>
<th>Oversight and monitoring related to WIA Administrative functions</th>
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<tr>
<th>3</th>
<th>Costs of goods and services required for administrative functions of the program, including goods and services such as:</th>
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<tbody>
<tr>
<td></td>
<td>- office supplies</td>
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<td>- postage</td>
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<td>- rental and maintenance of office space</td>
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<td>- rental or purchase of equipment</td>
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<td>- utilities</td>
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<th>4</th>
<th>Travel costs incurred for official business in carrying out administrative activities or the overall management of the WIA system</th>
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<tr>
<th>5</th>
<th>Costs of information systems related to administrative functions. For example:</th>
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<tbody>
<tr>
<td></td>
<td>- personnel</td>
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<td></td>
<td>- procurement</td>
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<tr>
<td></td>
<td>- purchasing</td>
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<td></td>
<td>- property management</td>
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<tr>
<td></td>
<td>- accounting and payroll systems, including the purchase, systems development and operating costs of such systems.</td>
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</tbody>
</table>

| 6 | Awards to subrecipients or vendors that are solely for the performance of administrative functions. |
**Program Costs**

1. Specific costs charged to an overhead or indirect cost pool that can be identified directly 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.

4. 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.

   ![DIagram](image)

   - INDIRECT COST POOL  
     - Administration 75%  
     - Program 25%

   **Indirect Cost (IDC) Rate**  
   
   \[
   \text{Indirect Cost (IDC) Rate} = 20\% 
   \]

   \[
   \text{Total Costs in ICP} = \$400,000 
   \]

   \[
   \text{Base (e.g. Total Direct Salaries & Wages)} = \$2,000,000 
   \]

   \[
   \text{WIA Total Direct Salaries & Wages} \times \text{IDC Rate} = \text{Indirect Amount For WIA} 
   \]

   \[
   \$1,000,000 \times 20\% = \$200,000 
   \]

   \[
   25\% \text{ of } \$200,000 = \$50,000 \text{ Program} 
   \]

   \[
   75\% \text{ of } \$200,000 - \$150,000 \text{ Administration} 
   \]

**Administrative OR Program Costs**

- Personnel and related non-personnel costs of staff who perform both administrative functions and programmatic services 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.

   *Note: Documentation of such charges must be maintained.*