

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.

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.

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.

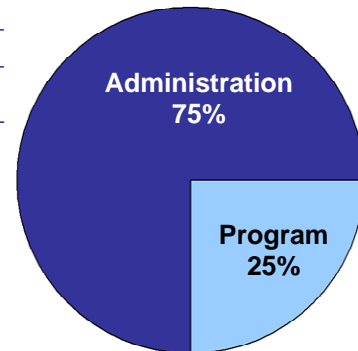
Note: Except for those awards to subrecipients or vendors that are solely for the performance of administrative functions

- 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.

INDIRECT
COST
POOL



Indirect Cost (IDC) Rate = 20%

Total Costs in ICP	=	\$400,000
Base (e.g. Total Direct Salaries & Wages)	=	\$2,000,000

WIA Total Direct Salaries & Wages x IDC Rate = Indirect Amount For WIA

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

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

75% of \$200,000 - \$150,000 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.