

Oklahoma Employment Security Commission

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Representing Employees

Mary Lowe, Commissioner
DeWayne Goodman, Commissioner

Oklahoma Employment and Training Issuance #23-2000

TO: WIA Board Staff

FROM: Eddie Foreman, Director

DATE: May 18, 2000

SUBJECT: Oklahoma's Interim Final Policy on WIA Title I Cost Limitations and Cost Categories

MESSAGE: Comments must be submitted by June 16, 2000. Please send comments to me electronically using my e-mail address.

The Title I cost classifications are administration and program. These cost classifications are described in general in 20 CFR 667.220 of the WIA Regulations. Allowable costs shall be charged (allocated) to the particular cost objective/category to the extent that benefits are received by such cost objective/category.

Administrative Cost Category

A. Cost Limitations

Expenditures for administrative purposes under WIA formula grants are limited to no more than ten percent (10%) of the area's allocation.

B. Allowable Costs

1. The costs of administration are that allocable portion of necessary and allowable costs that are associated with the overall management and administration of the workforce investment system and which are not related to the direct provision of workforce investment activities. These costs can be both personnel and non-personnel and both direct and indirect

2. The costs of administration include the costs associated with performing the responsibilities of the State and Local Workforce Investment Boards and of chief elected officials or boards of chief elected officials required for the local public/private partnership. The specific responsibilities of these boards and officials include, but are not limited to, those identified in the sections of the Act dealing with workforce investment boards and areas and one-stop systems, WIA sections 111(d), 116, 117(d)(e) and (h)(4), and 121(a), such as —
 - a. Performing overall general administrative functions and coordination of those functions under WIA Title I including:
 - preparing program plans, budgets, related schedules, and amendments or modifications thereto;
 - negotiating MOUs and awarding specific subgrants, contracts, and purchase orders through appropriate procurement processes;
 - conducting public relations activities which are not related to program outreach;
 - developing systems and procedures, including information systems for assuring compliance with program requirements;
 - coordinating the resolution of findings arising from audits, reviews, investigations and incident reports; and,
 - performing administrative services, including such services as general legal services, financial management and accounting services, audit services, and managing purchasing, property, payroll, and personnel.
 - b. Performing oversight responsibilities including monitoring of the WIA programs, projects, subrecipients, and related systems and processes for compliance with program requirements.
 - c. Costs for goods and services required for the administration of the program — including goods and services such as rental or purchase of equipment, utilities, office supplies, postage, and the rental and maintenance of office space.
 - d. The costs of organization-wide management functions.
 - e. Travel costs incurred for official business in carrying out the administrative activities or the overall management of the WIA system.
 - f. Costs of information systems **not** related to the tracking and monitoring of the WIA program, participants, or performance requirements or for collecting, storing and disseminating information under the core services provision at sections 134(d)(2)(E)(F)(G)(H) and (I) of the Act. I.e. personnel, accounting, and payroll systems.
3. a. Those portions of the cost of the One-Stop operators that are associated with the performance of the administrative functions described in paragraph (b) of this section are classified as administrative costs.

- b. Personnel and related non-personnel costs of the recipient's or subrecipients staff — including project directors who perform both administrative and programmatic services or activities may be allocated as administrative or program costs to the benefiting cost objectives/categories based on documented distributions of actual time worked or other equitable cost allocation methods.
- c. The costs of contracts, whether fixed price or cost reimbursement, awarded for the purpose of obtaining specific goods or services may be charged to the administration or program category based on the purpose for which the contract was awarded.
- d. Continuous improvement activities are charged to administration or program category based on the purpose or nature of the activity to be improved. Documentation of such charges must be maintained.

Program Cost Category

A. Allowable Costs

1. That portion of the costs of the one-stop operators that is associated with the direct provision of workforce investment activities is classified as program costs.
2. Personnel and related non-personnel costs of the recipient's or subrecipients staff including project directors who perform both administrative and programmatic services or activities may be allocated as administrative or program costs to the benefiting cost objectives/categories based on documented distributions of actual time worked or other equitable cost allocation methods.
3. Costs of staff whom provide program services directly to the participants and, where applicable, the first line supervisors and/or those leaders responsible for those staff are classified as a program cost.
4. Specific costs charged to an overhead or indirect cost pool that can be identified directly as a program cost may be charged as a program cost. Documentation of such charges must be maintained.
5. The costs of contracts, whether fixed price or cost reimbursement, awarded for the purpose of obtaining specific goods or services may be charged to the administration or program category based on the purpose for which the contract was awarded.
6. The following information systems and data entry costs are charged to the program category.
 - 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; and,
 - Information relating to supportive services and unemployment insurance claims for program participants.

7. Continuous improvement activities are charged to administration or program category based on the purpose or nature of the activity to be improved. Documentation of such charges must be maintained.