

Oklahoma Employment Security Commission  
Workforce Integrated Programs Division

**MEMORANDUM #M-08-2009**

**TO:** WIA Board Staff and Fiscal Agents

**FROM:** Richard J. Gilbertson, Director  
Workforce Integrated Programs Division

**DATE:** August 18, 2009

**SUBJECT:** Expenses for Personal Use

**MESSAGE:** It has come to our attention that Local Workforce Investment Boards (LWIBs) may be paying for items that are goods or services for personal use. Using grant funds to pay for consumable products (i.e. coffee, condiments, soft drinks, bottled water, food, etc.) for personal consumption on a daily basis is not reasonable or necessary. In addition, these items would not be considered a fringe benefit as a fringe benefit is a cost that is applicable to all employees not just the ones who happen to drink coffee. Plus, when it is made available to the general public, then you go beyond the scope of improving of working conditions, employer-employee relations, employee morale, and employee performance.

In accordance with OMB A-122, Cost Principles for Non-Profit Organizations  
Attachment B #19 – “Goods or services for personal use. Costs of goods or services for personal use of the organization’s employees are unallowable regardless of whether the cost is reported as taxable income to the employees.”

In accordance with OMB A-87, Cost Principles for State, Local and Indian Tribal Governments  
Attachment B #20 – “Goods or services for personal use. Costs of goods or services for personal use of the governmental unit’s employees are unallowable regardless of whether the cost is reported as taxable income to the employees.”

Also, in accordance with the OMB Circulars, “Cost of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences.” Food and beverage costs are allowable only for **external events**/meetings where technical information is being disseminated. OESC does not consider it allowable for internal staff meetings.

US DOL supports OESC's determination concerning this matter.

**ACTION:** Please share this notice with appropriate staff.

If you have any questions, please contact Tami Decker at (405) 962-7595.

Sincerely,

Richard J. Gilbertson,  
WIP Director

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