

Oklahoma Employment Security Commission
Workforce Integrated Programs Division

MEMORANDUM #M-02-2011

TO: WIA Board Staff
WIA Fiscal Agents
Area Managers

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

DATE: February 10, 2011

SUBJECT: Use of Incentive Grant Funds

PURPOSE: This memorandum is being issued to provide clarification on allowable uses of Board Certification Incentive Grants, in response to questions from local areas.

REFERENCES: Title I of the Workforce Investment Act of 1998 (WIA), Oklahoma Employment and Training Issuances (OETIs) 14-2008, 06-2009, Training and Employment Guidance Letter (TEGL) 3-04, TEGL 17-05, TEGL 17-05, change 1 and TEGL 17-07, Memorandum #M-11-2010.

MESSAGE: Questions have arisen regarding Board Certification Incentive Grants recently distributed in accordance with WIA Section 128, which allow for the dissemination of 15% State Reserve Funds to be used for statewide youth activities or statewide employment and training activities for adults or dislocated workers.

Board Certification Incentive Grants must be spent in accordance with the Local Workforce Investment Board's (LWIB's) approved budget and current State policies, and can only be spent to foster coordination and integration of Workforce Development services as outlined by the LWIB's Service Delivery Design. Examples of allowable uses of these funds include:

- Purchase of furniture or computers for One Stop Resource rooms;
- Training for Resource Staff;
- Training for WIB members on the creation of improved MOUs; (training to assist in the development of an improved MOU would be considered a program cost).
- System development or Board development;
- Use of funds to increase or advance integrated services.

LWIBs must identify the expenditures as either program or administrative costs. Grantees are prohibited from spending more than a total of 10 percent of the amount allotted for administrative costs.

WIA 667.220 (b) describes functions and activities subject to the administrative cost limit:

The costs of administration are the allocable portion of necessary and reasonable allowable costs that are associated with specific functions [identified below] and which are **not related to the direct provision of workforce investment services, including services to participants and employers.** These costs can be both personnel and non-personnel and both direct and indirect.

The costs of administration are the costs associated with performing the following functions:

- Performing the following overall general administrative functions and coordination of those functions under WIA title I:
 - Accounting, budgeting, financial and cash management functions;
 - Procurement and purchasing functions;
 - Property management functions;
 - Personnel management functions;
 - Payroll functions;
 - Coordinating the resolution of findings arising from audits, reviews, investigations and incident reports;
 - Audit functions;
 - General legal services functions; and
 - Developing systems and procedures, including information systems, required for these administrative functions;
- Performing oversight and monitoring responsibilities related to WIA administrative functions;
- Costs of goods and services required for administrative functions of the program, including goods and services such as rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space;
- Travel costs incurred for official business in carrying out administrative activities or the overall management of the WIA system; and
- 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.

Activities that can be allocated as either administrative and/or program costs:

- **Awards to subrecipients or vendors that are solely for the performance of administrative functions are classified as administrative costs.(c) (1)**
- Personnel and related non-personnel costs of staff who perform both administrative functions [as outlined above] and programmatic services or activities must be allocated as administrative or program costs to the benefitting cost objectives/categories based on documented distributions of actual time worked or other equitable cost allocation methods.
- 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. Documentation of such charges must be maintained.
- **Except as provided at paragraph (c) (1), all costs incurred for functions and activities of subrecipients and vendors are program costs.**
- Costs of the following information systems including the purchase, systems development and operating (e.g., 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;
- 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.

INQUIRES: If you have questions, please contact Jackie Younge at (405) 557-5314, jackie.younge@oesc.state.ok.us, or Tami Decker at (405) 962-7595, tdecker@oesc.state.ok.us.