

Appendix E

Program Activities, Cost Classification, and Chart of Accounts

This appendix provides a chart displaying the various program activities and job functions found in the Social Security Act at Section 403(a)(5)(C) and in the Interim Final regulations with the appropriate cost category or reporting activity as specified in the formula and competitive QFSRs. Following the table, there is a sample chart of accounts that might be used in classifying costs in a WtW program.

Activity	Formula Report	Competitive Report
Community Service Programs (administration and operation)	19	7
Work Experience Programs (administration and operation)	20	8
Job Creation Employment Subsidies (public and private sector)	21	9
On-the-Job Training (contracts with employers)	22	10
Job Placement Services (participant vouchers and contracts with service providers)	23	11
Post-Employment Services (participant vouchers and contracts with service providers)	24	13
Job Retention Services and Support Services (provided in-house or through contracts)	26	14
Individual Development Accounts	27	n/a
Intake, Assessment, Eligibility Determination, and Case Management (staff and related non-personal services costs)	28	15
Computer Hardware and Software	14 & 18	4
Program Management and Administrative Costs	13 & 17	3
Expenditures for Required Beneficiaries (70%)	7a	5a
Expenditures for Other Eligibles (30%)	7b	5b

SAMPLE CHART OF ACCOUNTS

As was stated in Chapter 7, *Cost Classification*, there is no single method for developing a chart of accounts to use in classifying costs in the grantee's accounting system. The chart provided in this appendix represents one method of coding costs for the WtW program. Grantees are urged to develop their own specific organization's chart of accounts based on funding, grant and organizational needs, cost principles, and GAAP requirements.

The sample chart of accounts utilizes a four-level coding system. Each of the levels is identified, and examples of the appropriate codes for each level have been provided. These levels and their specific codes could be expanded as necessary to cover all the different costs of an organization.

Level 1 — Funding Sources (2 digits)

- 10 WtW formula grant
- 20 WtW competitive grant
- 30 TANF grant
- 40 State general funds
- 90 Miscellaneous receipts

Level 2 — Participant Type (1 digit)

- 1 WtW 70% Required Beneficiaries
- 2 WtW 30% Other Eligibles
- 3 WtW non-assigned
- 4 Non-WtW clients
- 0 Not applicable

Level 3 — Activity or Cost Category Code (3 digits)

- 100 Administrative
- 110 Administrative cost pool
- 150 Computerization/technology
- 200 Program activities
- 210 Community Services
- 220 Work experience
- 230 Job creation employment wage subsidies
- 240 On-the-job training
- 250 Job readiness services
- 260 Job placement services
- 270 Post-employment services
- 280 Job retention services
- 290 Supportive services
- 300 Individual development accounts
- 400 Intake, assessment, and eligibility determination
- 500 Case management

- 600 Case management pool
- 700 Intake pool
- 000 Unassigned or not applicable

Level 3A — Service Provider/Subgrant Code (1 digit)

- 1 Subgrant award
- 2 Voucher
- 3 Contract
- 4 Direct payment
- 0 In-house or not applicable

Level 4 — Object Account or Expenditure Accounts (3 digits)

- 100 Staff wages
- 120 Staff fringe benefits
- 130 Staff morale/welfare
- 140 Staff training and education
- 150 Staff travel
- 200 Office supplies
- 300 Equipment
- 310 Computer hardware
- 320 Office furniture
- 330 Equipment leases
- 340 Other equipment purchases
- 400 Outside services
- 410 Legal services
- 420 Consultant and professional services
- 430 Communications
- 435 Telephones
- 440 Disbursing and payroll services
- 500 Miscellaneous costs
- 510 Insurance (non-staff related)
- 515 Participant insurance
- 520 Building space lease
- 525 Utilities
- 530 Miscellaneous computerization
- 540 Advertising
- 550 Memberships and subscriptions
- 600 Printing and duplication
- 700 Participant costs
- 720 Participant wages
- 730 Participant fringe benefits
- 740 Support services, i.e., child care, medical, etc.
- 000 Not applicable (describe why)

As an example of how the above chart of accounts might be used, the cost of child care services provided to an individual WtW participant may be coded as 02-1-290-2-740. This would equate to a cost for participant support services paid through a voucher for the program activity of supportive services on behalf of a WtW participant that met the 70% Required Beneficiaries criteria. The cost is funded by a WtW competitive grant.

In order to have an adequate chart of accounts, each of the above codes should be defined, with examples of the cost and the documentation requirements for each. In this way, the chart of accounts provides internal controls over the charging of costs, serves as documentation for allowable costs, and serves as documentation for auditors when they trace costs from the Federal reports to the official books of account. Listed below are just two examples of this description and documentation. The same process should be completed for each classification code on the final chart of accounts.

150 Staff Travel

This includes all transportation, subsistence, and arrangements related to staff travel on official business, including training conference costs, staff workshops, and costs for meals and related items that are incurred by employees who are in travel status on official business. Costs may be charged on an actual basis or on a per diem or mileage basis in lieu of actual costs. Costs of entertainment, travel not related to the specific authorized purpose, and alcoholic beverages are not chargeable. For use of a private vehicle, the employee must provide documentation that minimum insurance has been obtained.

Documentation requirements. Copies of a mileage log maintained by the employee, travel authorizations, receipts and vendor invoices.

200 Office Supplies

This includes the cost of materials and supplies necessary to carry out the objectives of the program are allowable costs. Classification as supplies is in accordance with the requirements of 29 CFR 95.35. Purchases are charged at their actual prices after deducting all cash discounts, trade discounts, rebates or allowances. Shipping and delivery are a normal part of the supplies cost.

Documentation requirements. Copies of paid receipts, paid vendor invoices, or supply documentation if no outside vendor is used.