

Appendix E - Administrative and Program Cost Fact Sheet

<p>The costs of administration are that allocable portion of necessary and reasonable allowable costs of...  <b>State and local Workforce Investment Boards</b>  <b>Direct recipients including:</b></p> <ul style="list-style-type: none"> <li>• State grant recipients</li> <li>• Local grant recipients</li> <li>• One-stop operators</li> <li>• Local grant subrecipient - 117(d)(3)(b)(i)(II)</li> <li>• Local fiscal agents - 117(d)(3)(b)(i)(II)</li> </ul> <p>...associated with the major functions.</p>	<p>These costs:  <b>Are not related to the direct provision of workforce investment services, including services to participants and employers</b>  <b>Can be personnel</b>  <b>Can be non-personnel</b>  <b>Can be direct</b>  <b>Can be indirect</b></p>
<p><b>ADMINISTRATIVE COSTS</b></p>	
<p>1. General administrative functions and coordination of functions:</p> <ul style="list-style-type: none"> <li>• accounting</li> <li>• audit resolution</li> <li>• audits</li> <li>• budgeting</li> <li>• financial and cash management</li> <li>• general legal services functions</li> <li>• incident report resolution</li> <li>• information system development (see 5 )</li> <li>• investigation resolution</li> <li>• payroll functions</li> <li>• personnel management</li> <li>• procurement</li> <li>• property management</li> <li>• purchasing</li> <li>• review resolution</li> <li>• development of systems and procedures for administrative functions</li> </ul> <p>2. Oversight and monitoring related to WIA Administrative functions</p>	<p>3. Costs of goods and services required for administrative functions of the program, including goods and services such as:</p> <ul style="list-style-type: none"> <li>• office supplies</li> <li>• postage</li> <li>• rental and maintenance of office space</li> <li>• rental or purchase of equipment</li> <li>• utilities</li> </ul> <p>4. Travel costs incurred for official business in carrying out administrative activities or the overall management of the WIA system</p> <p>5. Costs of information systems related to administrative functions. For example:</p> <ul style="list-style-type: none"> <li>• personnel</li> <li>• procurement</li> <li>• purchasing</li> <li>• property management</li> <li>• accounting and payroll systems, including the purchase, systems development and operating costs of such systems.</li> </ul> <p>6. Awards to subrecipients or vendors that are solely for the performance of administrative functions.</p>
<p><b>PROGRAM COSTS</b></p>	
<p>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</p> <p>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</p> <p>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.</p> <ul style="list-style-type: none"> <li>• Tracking or monitoring of participant and performance information</li> <li>• Employment statistics information, including job listing information, job skills information, and demand occupation information</li> <li>• Performance and program cost information on eligible providers of training services, youth activities, and appropriate education activities.</li> <li>• Local area performance information</li> <li>• Information relating to supportive services and unemployment insurance claims for program participants.</li> </ul>	<p>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.</p> <div data-bbox="787 1197 1169 1365"> <p>INDIRECT COST POOL</p> <p>Program 25%</p> <p>Administration 75%</p> </div> <p>Indirect Cost (IDC) Rate = 20%</p> <p>Total Costs in ICP = \$400,000</p> <p>Base (e.g. Total Direct Salaries &amp; Wages) = \$2,000,000</p> <p>WIA Total Direct Salaries &amp; Wages x IDC Rate = Indirect Amount For WIA</p> <p>\$1,000,000 x 20% = \$200,000</p> <p>25% of \$200,000 = \$50,000 Program</p> <p>75% of \$200,000 = \$150,000 Administration</p>
<p><b>ADMINISTRATIVE OR PROGRAM COSTS</b></p>	
<ul style="list-style-type: none"> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>