

U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION WIA/Summer Program
	CORRESPONDENCE SYMBOL OYS
	DATE March 2, 2000

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 3-99, Change 1

TO: ALL STATE WORKFORCE LIAISONS
ALL STATE WORKER ADJUSTMENT LIAISONS
ALL STATE WAGNER-PEYSER ADMINISTERING AGENCIES
ALL ONE-STOP CAREER CENTER SYSTEM LEADS

/s/

FROM: LENITA JACOBS-SIMMONS
Deputy Assistant Secretary

SUBJECT: Program Guidance for Implementation of
Comprehensive Youth Services Under the
Workforce Investment Act During the
Summer of 2000

1. **Purpose.** To clarify to States that Welfare-to-Work (WtW) funds used to provide service for Out of School Youth (OSY) must remain consistent with overall program goals.
2. **References.** Training and Employment Guidance Letter No. 3-99, dated January 31, 2000.
3. **Background.** TEGL No. 3-99 (Section 9 - Leveraging Resources) states that "WtW funding could provide considerable leverage for increasing enrollments in Workforce Investment Act (WIA) youth programming, both in the summer and year-round programs." Because of recent changes in the eligibility criteria for the WtW Program, certain OSY may now be eligible for enrollment in WtW.
4. **Clarification.** While some OSY may now be eligible for
Although the use of WtW funds in tandem with youth programming is encouraged, this letter seeks to clarify that the expenditure of WtW funds to serve youth, both year round and summer must also be consistent with the WtW Program goal. Local OSY programs should consult with local WtW providers to coordinate any viable use of WtW and OSY funds.
5. **Effective Date.** This clarification is effective immediately.
6. **Action Required.** States should provide this guidance to appropriate staff.
7. **Inquiries.** Inquiries on this TEGL change should be directed to your Regional Office.

**Proposed language for the WIA Final Rule
on Administrative Cost Classification
June 21, 2000**

Sec. 667.220 What Workforce Investment Act title I functions and activities constitute the costs of administration subject to the administrative cost limit?

(a) The costs of administration are that allocable portion of necessary and reasonable allowable costs of State and local workforce investment boards, direct recipients, including State grant recipients under subtitle B of title I and recipients of awards under subtitle D of title I, as well as local grant recipients, local grant subrecipients, local fiscal agents and one-stop operators that are associated with those specific functions identified in paragraph (b) of this section 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.

- (b) The costs of administration are the costs associated with performing the following functions:
- (1) Performing the following overall general administrative functions and coordination of those functions under WIA title I:
 - (i) accounting, budgeting, financial and cash management functions;
 - (ii) procurement and purchasing functions;
 - (iii) property management functions;
 - (iv) personnel management functions;
 - (v) payroll functions;
 - (vi) coordinating the resolution of findings arising from audits, reviews, investigations and incident reports;
 - (vii) audit functions;
 - (viii) general legal services functions; and
 - (ix) developing systems and procedures, including information systems, required for these administrative functions;
 - (2) Performing oversight and monitoring responsibilities related to WIA administrative functions,
 - (3) 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;
 - (4) Travel costs incurred for official business in carrying out administrative activities or the overall management of the WIA system; and
 - (5) 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.
- (c) (1) Awards to subrecipients or vendors that are solely for the performance of administrative functions are classified as administrative costs.
- (2) Personnel and related non-personnel costs of staff who perform both administrative functions specified in paragraph (b) of this section and programmatic services or activities are to 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.

- (3) 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.
- (4) Except as provided at paragraph (c)(1), all costs incurred for functions and activities of subrecipients and vendors are program costs.
- (5) Costs of the following information systems including the purchase, systems development and operating (e.g. data entry) costs are charged to the program category.
- (i) Tracking or monitoring of participant and performance information;
 - (ii) Employment statistics information, including job listing information, job skills information, and demand occupation information;
 - (iii) Performance and program cost information on eligible providers of training services, youth activities, and appropriate education activities;
 - (iv) Local area performance information; and
 - (v) Information relating to supportive services and unemployment insurance claims for program participants;
- (6) 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.