

The Workforce Innovation and Opportunity Act

Administrative Costs

For Title I WIOA Grant Recipients*

(Changes are highlighted in yellow)

WORKFORCE INNOVATION AND OPPORTUNITY ACT	WORKFORCE INVESTMENT ACT
<p><u>WIOA Final Rule (August 19, 2016)</u></p> <p>20 CFR 683.215 What Workforce Innovation and Opportunity Act title I functions and activities constitute the costs of administration subject to the administrative cost limitation?</p> <p>(a) The costs of administration are expenditures incurred the allocable portion of necessary and reasonable allowable costs by State and Local Workforce Development Boards, Regions, direct grant recipients, including State grant recipients under subtitle B of title I of WIOA, 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.</p> <p>(b) The costs of administration are the costs associated with performing the following functions:</p> <p>(1) Performing the following overall general administrative functions and coordination of those functions under title I of WIOA:</p> <p>(i) Accounting, budgeting, financial and cash management functions;</p> <p>(ii) Procurement and purchasing functions;</p> <p>(iii) Property management functions;</p> <p>(iv) Personnel management functions;</p> <p>(v) Payroll functions;</p> <p>(vi) Coordinating the resolution of findings arising from audits, reviews, investigations and incident reports;</p> <p>(vii) Audit functions;</p> <p>(viii) General legal services functions;</p> <p>(ix) Developing systems and procedures, including information systems, required for these administrative functions; and</p> <p>(x) Fiscal agent responsibilities;</p>	<p><u>WIA Final Rule (August 11, 2000)</u></p> <p>20 CFR 667.220 What Workforce Investment Act title I functions and activities constitute the costs of administration subject to the administrative cost limit?</p> <p>(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.</p> <p>(b) The costs of administration are the costs associated with performing the following functions:</p> <p>(1) Performing the following overall general administrative functions and coordination of those functions under WIA title I:</p> <p>(i) Accounting, budgeting, financial and cash management functions;</p> <p>(ii) Procurement and purchasing functions;</p> <p>(iii) Property management functions;</p> <p>(iv) Personnel management functions;</p> <p>(v) Payroll functions;</p> <p>(vi) Coordinating the resolution of findings arising from audits, reviews, investigations and incident reports;</p> <p>(vii) Audit functions;</p> <p>(viii) General legal services functions; and</p> <p>(ix) Developing systems and procedures, including information systems, required for these administrative functions;</p> <p>(2) Performing oversight and monitoring responsibilities related to WIA administrative functions;</p>



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- (2) Performing oversight and monitoring responsibilities related to WIOA 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 WIOA 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 **contractors** ** (vendors) that are solely for the performance of administrative functions are classified as administrative costs. ** *Uniform Guidance at 2 CFR part 200 replaces vendor with contractor.*
 - (2) Personnel and related non-personnel costs of staff **that** perform both administrative functions specified in paragraph (b) of this section 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.**
 - (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) **of this section**, all costs incurred for functions and activities of subrecipients **and vendors, other than those subrecipients listed in (a) of this section**, and **contractors** are program costs.
 - (5) 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.
 - (6) Costs of the following information systems including the purchase, systems development, **and operational costs** (e.g., data entry) are charged to the program category (except when other funding, award, or appropriation considers it to be administrative):
 - (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
- (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 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.
 - (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.



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<p>(v) Information relating to supportive services and unemployment insurance claims for program participants.</p> <p>(d) Where possible, entities identified in item (a) must make efforts to streamline the services in paragraphs (b)(1) through (5) of this section to reduce administrative costs by minimizing duplication and effectively using information technology to improve services.</p>	
<p>WIOA Sec. 3</p> <p>(1) ADMINISTRATIVE COSTS.—The term “administrative costs” means expenditures incurred, the allocable portion of necessary and reasonable allowable costs by State boards and local boards, direct recipients (including State grant recipients under subtitle B of title I and recipients of awards under subtitles C and D of title I), local grant recipients, local fiscal agents or local grant subrecipients, and one-stop operators in the performance of administrative functions and in carrying out activities under title I that are not related to the direct provision of workforce investment services (including services to participants and employers). Such costs include both personnel and non-personnel costs and both direct and indirect costs.</p>	<p>WIA</p> <p>n/a</p>

** For discretionary grants awarded under title I of WIOA or otherwise, please refer to the grant agreement to determine the cost limitation for administrative costs.*

**** For title I WIOA partner programs, costs of negotiating a MOU or infrastructure funding agreement are excluded from the administrative cost limitations (20 CFR 683.205(5)). Title I WIOA partner programs may use program and/or administrative costs funds to pay for infrastructure costs (20 CFR 678.720 and 20 CFR 678.740). (For other One Stop partner programs, please refer to the appropriate statute or regulations for guidance.)*

Learn More About WIOA

Information and guidance for WIOA can be found here: doleta.gov/WIOA

ION, the technical assistance initiative for WIOA, can be accessed by visiting **WorkforceGPS** here: ion.workforcegps.org

