



**WORKFORCE INNOVATION AND
OPPORTUNITY ACT TITLE I
POLICY MANUAL**

CHAPTER 2 - SECTION 600

SUBJECT: ADMINISTRATIVE COST LIMITATION

600 BACKGROUND AND PURPOSE

The Workforce Innovation and Opportunity Act (WIOA) and 2 CFR Part 200 Uniform Requirements, Cost Principles, and Audit Requirements for Federal Awards Final Rule (Uniform Guidance) provide cost limitations that apply to the Local Workforce Development Areas (LWDAs). The purpose of this policy is to aid the LWDAs in classification of costs as administrative, programmatic or both, and to ensure clarity and consistency in the treatment of the expenditures for the WIOA Title I programs.

Reference: Workforce Innovation and Opportunity Act (WIOA) of 2013, (P.L. 113-128), 20 CFR Part 200 Uniform Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); 20 CFR 683.205; 20 CFR 683.215.

601 ADMINISTRATIVE COSTS LIMITATIONS

Local expenditures for administrative purposes under WIOA Title I formula grants are limited to no more than 10 percent of the amount allocated for Youth Activities, and Adult and Dislocated Worker Employment and Training Activities. In the ARIZONA@WORK Job Center environment, each program’s administrative costs are chargeable to its own grant and subject to its own administrative cost limitations. Cost of negotiating the Memorandum of Understanding or infrastructure funding agreement are excluded from the administrative cost limitations.

602 COST

Costs not related to providing direct basic career, individualized career and training services to participants and employers are generally considered administrative costs, whereas costs directly related to the provision of basic career, individualized career services and training services are considered program costs.

01. Administrative Functions

The cost of administration are expenditures incurred by the Local Workforce Development Boards (LWDBs), Regions, local recipients of WIOA Title I grants, local grant sub-recipients, local fiscal agents, and one-stop operators that are associated with specific functions, and which are not related to the direct provision of workforce investment activities, including services to participants and

employers. The costs of administration can be both personnel and non-personnel, and both direct and indirect.

- A. Performing the overall general administration functions and coordination of those functions;
 - 1. Accounting, budgeting, financial functions, and cash management functions;
 - 2. Procurement and purchasing functions;
 - 3. Property management functions;
 - 4. Personnel management functions;
 - 5. Payroll functions;
 - 6. Coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports;
 - 7. Audit functions;
 - 8. General legal services functions;
 - 9. Developing systems and procedures, including information systems functions, required for these administrative functions; and
 - 10. Fiscal agent responsibilities.
- B. Performing oversight and monitoring responsibilities related to WIOA administrative functions;
- C. 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;
- D. Travel costs incurred for official business in carrying out administrative activities; and
- F. 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 cost.

02. Cost Classifications

LWDAs must classify costs as follows:

- A. Awards to subrecipients or contractors that are solely for the purpose of administrative functions are classified as administrative costs;
- B. Personnel and related non-personnel cost of staff that perform both administrative functions in section 602.01 and programmatic services or activities must be allocated as administrative or programmatic costs to the benefitting cost objectives/categories;
- C. Specific costs charged to an overhead or indirect cost pool that can be identified directly as a program cost are to be charged as program cost. LWDAs must maintain documentation of such costs;
- D. All costs incurred for functions other than those listed in Section 602.01 are to be classified as program costs, with the exception of awards to sub-recipients or contractors that are solely for purpose of administrative purposes, as they are to be classified as administrative costs;
- E. Continuous Improvement activities are charged to administration or program category based on the purpose or nature of the activity to be improved. LWDAs must maintain documentation of such charges;
- F. Cost of the following information systems including the purchase, system development, and operational costs (e.g. data entry) must be charged to the program category:
 - 1. Tracking or monitoring participant and performance information;
 - 2. Employment statistics information, including job listing information, job skill information, and demand occupation information;
 - 3. Performance and program cost information on the eligible training providers; youth activities; and appropriate education activities;
 - 4. LWDA performance information;

- 5. Information relating to supportive services and unemployment insurance claims for program participants.
- G. Costs associated with the initial and continued eligibility review of training providers and programs for inclusion on the Eligible Training Provider List are classified as administrative costs; and
- H. Costs associated with monitoring eligible training providers and programs are classified as administrative costs.

603 MATRIX OF SPECIFIC COSTS AND CATEGORY CLASSIFICATION OF COSTS

The following matrix includes specific workforce investment activity costs including, both personnel and non-personnel costs, and indicates whether the cost may be classified as administrative, programmatic or both.

Matrix of Specific Cost and Category Classification		
Grantee Costs	Admin	Program
Staff:	X	X
Accounting	X	
Administrative Overhead	X	
Advertising	X	X
Audit Functions	X	
Audit Staff	X	
Automatic Data Processing	X	X
Budgeting	X	
Career Coaching		X
Clerical Asst. to a Supervisor	X	X
Clerical Asst. to Training Personnel		X
Coordination of Participant Services		X
Counseling		X
Data Processing Staff	X	X
Development of On-the-Job Training /Work Experience Training Plans		X
Eligibility Determination		X
Executive Staff	X	X
Fiscal Staff	X	
Follow-Up Analysis		X
Initial Assessment		X
Intake		X
Job Coach		X

Job Developer		X
Job Search Assistance		X
Labor Market Analysis		X
Legal Staff	X	
Maintenance Staff	X	
Monitoring Staff	X	
Assessment/Testing		X
Outreach to Employers		X
Participant follow-up		X
Program Design/Curriculum		X
Training Staff		X