What Workforce Investment Act Title I Functions and Activities Constitute the Costs of Administration Subject to Administrative Cost Limit?

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
  - Local grant recipients
  - One-stop operators
  - Local grant subrecipient - 117(d)(3)(b)(i)(II)
  - Local fiscal agents - 117(d)(3)(b)(i)(II)

...associated with the major functions.

### Administrative Costs

**1. General administrative functions and coordination of functions:**
- accounting
- audit resolution
- audits
- budgeting
- financial and cash management
- general legal services functions
- incident report resolution
- information system development (see 5)
- investigation resolution
- payroll functions
- personnel management
- procurement
- property management
- purchasing
- review resolution
- development of systems and procedures for administrative functions

**2. Oversight and monitoring related to WIA Administrative functions**

**3. Costs of goods and services required for administrative functions of the program, including goods and services such as:**
- office supplies
- postage
- rental and maintenance of office space
- rental or purchase of equipment
- utilities

**4. Travel costs incurred for official business in carrying out administrative activities or the overall management of the WIA system**

**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.

**6. Awards to subrecipients or vendors that are solely for the performance of administrative functions.**
### Program Costs

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*

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*

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.

   - Tracking or monitoring of participant and performance information
   - Employment statistics information, including job listing information, job skills information, and demand occupation information
   - Performance and program cost information on eligible providers of training services, youth activities, and appropriate education activities.
   - Local area performance information
   - Information relating to supportive services and unemployment insurance claims for program participants.

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.

   **INDIRECT COST POOL**
   
   - Administration 75%
   - Program 25%

   **Indirect Cost (IDC) Rate**
   
   - **Total Costs in ICP** = **$400,000**
   - **Base (e.g. Total Direct Salaries & Wages)** = **$2,000,000**
   - **WIA Total Direct Salaries & Wages x IDC Rate = Indirect Amount For WIA**
     
     - **$1,000,000 x 20% = $200,000**
   
   - 25% of $200,000 = $50,000 Program
   - 75% of $200,000 = $150,000 Administration

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### Administrative OR Program Costs

- 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.

- 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.*