

**REPUBLIC OF PALAU
STATE JOB TRAINING POLICY NO. 007-013-2000**

Effective Date: July 01, 2000

TO: Members of State Workforce Investment Board

FROM: Ms. Josephine Ulengchong
WIA Office Executive Director

SUBJECT: **ADMINISTRATIVE COST LIMIT**

States receiving formula grants are allowed the following breakdown of administrative cost limit:: (WIA Sections 127 (b); 132 (b) (1) and 132 (b) (2) and 20 CFR Parts 667.210 and 667.220.)

1. State shall reserve not more than fifteen percent (15%) of each of the amounts allotted for youth, adults, and dislocated workers funding streams for fiscal year for statewide investment activities. Of this amount, the State may spend up to five percent (5%) for the administrative costs of statewide workforce investment activities.
2. Local area expenditures for administrative purposes under WIA formula grants are limited to no more than ten percent (10%) of the amount allotted for youths, adults, and dislocated workers funding streams.
3. Neither the 5 percent of the amount allotted that may be reserved for Statewide administrative costs nor the 10 percent of the amount allotted for local administrative costs needs to be allocated back to the individual funding streams.

The costs of administration are that allocable portion of necessary and reasonable allowable costs of State and local workforce investment boards, etc.

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:

-Accounting, budgeting, financial and cash management functions;

-Procurement and purchasing functions;

-Property management functions;

-Personnel management functions;

-Payroll functions;

-Coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports;

-Audit functions;

-General legal services functions; and

-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.

Awards to subrecipients or vendors that are solely for the performance of administrative functions are classified as administrative costs. Personnel and related non-personnel costs of staff who perform both administrative functions and programmatic services or activities must be allocated as administrative or program costs to the benefiting cost objectives/categories based on documented distributions of actual time worked or other equitable cost allocation methods.

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. All costs incurred for functions and activities of subrecipients and vendors are program costs.

Costs of the following information systems including the purchase, systems development and operating (e.g. data entry) costs are charged to the program category:

- 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; and
- information relating to supportive services and unemployment insurance claims for program participants.

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.

WIA Title I funds must not be spent on construction or purchase of facilities or buildings except:

- to meet a recipient's obligation to provide physical and programmatic accommodation, as required by Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as amended;
- to fund repairs, renovations, alterations and capital improvements of property, including:
 1. SESA real property, identified at WIA section 193, using a formula that assesses costs proportionate to space utilized;
 2. JTPA owned property which is transferred to WIA title I programs;

- job Corps facilities, as authorized by WIA section 160 (3) (B); and
- to fund disaster relief employment on projects for demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within a disaster area. (WIA sec. 173 (d).)

WIA title I funds may not be spent on employment generating activities, economic development, and other similar activities, unless they are directly related to training for eligible individuals. (WIA sec. 181 (e).)

Employer outreach and job development activities are directly related to training for eligible individuals. These employer outreach and job development activities include:

1. Contacts with potential employers for the purpose of placement of WIA participants;
2. Participation in business associations (such as chambers of commerce); joint labor management committees, labor associations, and resource centers;
3. WIA staff participation on economic development boards and commissions, and work with economic development agencies, to:
 - i. Provide information about WIA programs;
 - ii. Assist in making informed decisions about community job training needs, and
 - iii. Promote the use of first source hiring agreements and enterprise zone vouchering services,
4. Active participation in local business resource centers (incubators) to provide technical assistance to small and new business to reduce the rate of business failure;
5. Subscriptions to relevant publications;
6. General dissemination of information on WIA programs and activities;
7. The conduct of labor market surveys;
8. The development of on-the-job training opportunities; and
9. Other allowable WIA activities in the private sector. (WIA sec. 181 (e).)

WIA title I funds must not be spent on:

1. The wages of incumbent employees during their participation in economic development activities provided through a Statewide workforce investment system. (WIA sec. 181 (b) (1).);
2. Public service employment, except to provide disaster relief employment, as specifically authorized in section 173 (d) of WIA, (WIA sec. 195 (1));
3. Expenses prohibited under any other Federal, State or local law or regulation.

WIA formula funds available to States and local areas under subtitle B, title I of WIA must not be used for foreign travel. (WIA sec. 181 (e).)

There are Limitations of WIA costs related to sectarian activities set forth at WIA section 188 (a) (3) and 29 CFR 37.6 (f). Under these limitations:

1. WIA title I financial assistance may not be spent on the employment or training of participants in sectarian activities. This limitation is more fully described at 29 CFR 37.6 (f) (1).
2. Under 29 CFR 37.6 (f) (1), participants must not be employed under title I of WIA to carry out the construction, operation, or maintenance of any part of any facility that is used or to be used for sectarian instruction or as a place for religious worship. However, as discussed in 29 CFR 37.6 (f) (2), WIA financial assistance may be used for the maintenance of a facility that is not primarily or inherently devoted to sectarian instruction or religious worship if the organization operating the facility is part of a program or activity providing services to WIA participants. (WIA sec. 188 (a) (3).)