Allowable Costs Associated with WIOA Youth Activities
WIOA Overview - Key Changes

- Expanded focus on Out of School Youth (OSY)
- Expanded focus on Work Experience
- Adds 5 New Program Elements
- Eliminates the Youth Council requirement
Federal Requirements
2 CFR 200.400

- Uniform Guidance - Subpart E - COST PRINCIPLES
- WIOA Regulations
- TEGL 23-14 (March 26, 2015)
- TEGL 38-14 (June 8, 2015)
- TEGL 8-15 (November 17, 2015)
- TEGL 21-16 (March 2, 2016)
WIOA Current Youth Guidance

- Training Employment Guidance Letter (TEGL) 23-14 (March 26, 2015)
  - OSY Expenditure requirement
  - Youth Committees
  - Transitioning ISY
  - Additional WIOA Youth Changes

- Transitioning Youth Service Provider Contracts
WIOA Provisions for Out of School Youth

- WIOA requires 75% of State & Local Youth funding be used for OSY
  - For Statewide: Only Direct Expenditures on Youth Services
  - Administrative costs not subject to 75% requirement or 20% Work Experience Req.
  - Exception for minimum allotment states
  - Funds are tracked by program year
WIOA Provisions for OSY

- Waivers for reduced OSY requirements will be applied to entire Program Year allotment;

- Applied to Local Area allotment on 2 year expenditure basis;

- Direct Services to Youth LESS Administrative Costs;
  - Service Provider Costs
  - Local Program Staff

- SELF SERVICE COSTS OF YOUTH DO NOT COUNT TOWARDS REQUIREMENT
WORK EXPERIENCE REQUIREMENTS

- Paid and Unpaid Work Experiences is one of the 14 program elements authorized under WIOA.
- Work Experience must have academic and occupational education as a component.
- Summer Employment Opportunities was its own element under WIA - Now it is a sub element under work experiences under WIOA;
Priority on Work Experience

- At least **20%** of local Youth formula funds must be used for work experience including:
  - Summer and Year round employment opportunities
  - Pre-apprenticeship
  - Internship & Job Shadowing
  - On-the-Job Training

- Administrative costs not subject to the 20% requirement;
- States & local areas must track expenditures on work experience since 2015.
Several required Youth Activities do not count against the OSY Expenditure Requirement;

- Conducting Evaluations
- Providing information on Eligible Training Providers
- Technical Assistance to Local Areas
- Financial Management system information;
- Technical Assistance to Local Areas with High Concentration of Eligible Youth
Tracking Work Experience

- The 20% minimum expenditure requirement applies to overall local area youth funds (minus administrative expenditures)

  - The minimum expenditure rate is not applied separately for ISY and OSY;

  - Leverage resources do NOT count under the 20% Work Experience requirement;

  - Work Experience expenditures will be a separate line item on the quarterly ETA-9130 report.
Allowable Work Experience Costs:

- Wages & Stipend Payments for Work Experience;
- Staff time identifying and developing work experiences;
- Staff time working with employers for work experiences;
- Staff time managing participant work experiences;
- Staff time evaluation participant work experiences;
- Participant work experience orientations
- Employer work experience orientations
Allowable Work Experience Costs:

- Classroom training or required academic education components directly related to work experiences; Local areas have flexibility determining who provides educational component;
- Incentive payments tied to completion of work experiences;
- Employer skills and Job Readiness training to prepare youth for work experiences;
Supportive Service Costs:

- Supportive Service Costs are **NOT ALLOWABLE COSTS** towards meeting the 20% Work Experience Requirement;
- These are a separate program element;
Incentive Payments
TEGL 21-16 (March 2, 2016)

- Incentive payments for Youth
  - Recognition and Achievement for Training and Work Experience
  - Written Policies and Procedures
  - Tied to Local Goals and Performance Outcomes
  - Outlined in Writing prior to Commencement of Program Activities
  - Must be in compliance with 2 CFR 200 (Allowable Costs)
    - CANNOT BE ENTERTAINMENT COSTS!
    - NO movie tickets, sporting events, entertainment activities;
  - Gift Cards v. Cash - maintain adequate Internal Control & Tracking
Braiding Funds

- Leverage local non-federal funds with WIOA funding
- Provide more comprehensive services to Youth
- Title I WIOA and Title II Education funds
Categories of Work Experiences:

- Summer and year round employment programs;
- Pre-Apprenticeship programs;
- Internships and Job Shadowing opportunities;
- On-the-Job Experiences;
Other Allowable Activities:

- Occupational Skills Training;
  - Specific Vocational Skills leading to entry, intermediate, or advanced position in employment;
  - Lead to a post-secondary credential;
  - Must meet the standards of WIOA Sec. 123;

- No Individual Training Accounts (ITAs) for In-School Youth, unless they are 18-22 and enrolled in WIOA Adult Program;
Support Services: 20 CFR 681.570

- Linkages to community services;
- Transportation assistance;
- Housing assistance;
- Needs Related Payments;
- Accommodations for individuals with Disabilities;
- Legal Aide services;
- Referrals to Health Care providers;
- Books, supplies, classroom needs;
- Fees for employment testing, applications, certifications;
- Uniform, tools, eyeglass protections
ELEPHANT IN THE ROOM?

- Food is address in the UG under Conferences (2 CFR 200.432)
- Can provide during training activities which exceed 6 hours;
- Four (4) part test to determining allowability of food:
  - 1. At event/meeting must be grant related activities with agenda, etc.
  - 2. Costs must be reasonable (see per diem limits as benchmark);
  - 3. Frequency is limited; not weekly or monthly meetings;
  - 4. Exigency - extreme factors to consider (rural far away areas,

- Grantee must maintain documentation to justify providing food to participants, etc.

  **ALWAYS REVIEWED DURING ON-SITE MONITORING**
ADVERTISING & PUBLIC RELATIONS
(200.421)

- The only allowable advertising costs are those that are solely for
  - Recruitment of personnel required by the NFE;
  - Procurement of Goods and Services (RFPs);
    - Open 30 days before responses are due;

- PROGRAM OUTREACH IS ALLOWABLE
The only allowable Public Relation Costs are:
- Specifically required by the Federal Award;
- Communicating with Public pertaining to activities, accomplishments, performance, etc.
- Conducting liaison activities with news media & press - keeping public informed;
UNALLOWABLE ADVERTISING & PUBLIC RELATIONS COSTS:

- ALL ADVERTISING AND PUBLIC RELATION COSTS THAT ARE LISTED AS ALLOWABLE IN PRIOR SLIDE (B) & (D);
- Meetings, conventions, convocations, or other events related to OTHER activities of entity;
- Costs of Displays, demonstrations, exhibits,
- Costs of meeting rooms, suites, hospitality suites, etc.
- Salaries and wages setting engaged in setting up displays;

- COSTS OF PROMOTIONAL ITEMS AND MEMORABILIA, INCLUDING MODELS AND SOUVENIRS;
- COSTS OF ADVERTISING OR PUBLIC RELATIONS DESIGNED SOLELY TO PROMOTE THE NON-FEDERAL ENTITY.
ADVERTISING AND PUBLIC RELATIONS

- NO LOGOS PROMOTING THE LOCAL WDB, LOCAL ENTITY, ETC.;
- ITEMS MUST BE FOR USE IN PROGRAM ONLY, NOT AS GIVE AWAYS;
- ONLY IN AMOUNT OF ENROLLED PARTICIPANTS;
- REASONABLE IN AMOUNT;
  - Blank Pencils/Pens or Pencils with Logos?
  - Extra Cost of Artwork and Printing NOT ALLOWABLE
FOLLOW UP SERVICES

- Can provide follow up services for up to 12 months;
- Can provide follow up services beyond 12 months at discretion of WDB;

- Supportive Services;
- Adult Mentoring;
- Financial Literacy Educational Training;
- LMI and Employment Information;
- Preparation for Post Secondary Educational Training;

- MUST HAPPEN AFTER EXIT AND CODED AS SUCH IN YOUR MIS SYSTEM
Other Costs

- Alcoholic Beverages are UNALLOWABLE (200.423)
- Entertainment Costs are UNALLOWABLE (200.438)
  - Must have a programmatic purpose and authorized in approved budget or with prior written approval.
- Fines, Penalties, damages, and other Settlements (200.441)
  - Costs from the NFE violations of ...are unallowable
  - What about participant costs (traffic tickets, fines, etc.)?
- Participant Support Costs (200.456) - allowable with Prior Written approval by Federal Awarding entity (See TEGLs, etc.)
Participant Support Costs
2 CFR 200.75

“Participant Support Costs means direct costs for items such as stipends, or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.”

WDBs need specific policies which identify type and reasonable limitations on Support Costs
Student Activity Costs (200.469)

- Costs for:
  - Intramural activities;
  - Student publications;
  - Student Clubs;
  - Other Student Activities; are UNALLOWABLE

- UNLESS specifically provided for in the Federal Award
Cost Principles
(2 CFR 200.402-407)

- Sum of Allowable Direct and Allocable Indirect Costs, less any credits;
- Necessary;
- Reasonable;
- Allocable;
- Conform to any limitations (10%, 20%, 75%)
- Consistently Treatment;
- Consistent with policies & procedures for Federal & Non Federal activities;
- GAAP;
- DOCUMENTED
COMMON FINDINGS NOTED

- **Eligibility:**
  - No implementation/tracking of requires additional assistance 5% limitation for ISY;
  - Issues with documenting eligibility;
  - Incomplete enrollment;

- **OSY/WEX Expenditures:**
  - Not correctly tracking or reporting OSY expenditures;
  - Not correctly tracking or reporting WEX expenditures;
  - Not meeting minimum WEX expenditure requirement;
  - Not meeting minimum OSY expenditure requirement;
COMMON FINDINGS NOTED

Admin/Procurement/Monitoring of Local Areas or Service Providers:

- Insufficient monitoring/oversight of youth service provider;
- Insufficient state monitoring/oversight of local area;
- Poor service provider contracts;
- State not fulfilling all required statewide activities;
- Youth services not provided in outlying counties;
COMMON FINDINGS NOTED:

Policies Not Created or Followed:

- Work experience policy not followed;
- No policy for requires additional assistance eligibility criteria;
- Inadequate incentives and stipends policy;
- Outdated or lacking youth policies;
- No follow-up services policy;
- No eligibility policies;
QUESTIONS??
THANK YOU!

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