**20CFR667.220 and 220**

[Code of Federal Regulations]

[Title 20, Volume 3]

[Revised as of April 1, 2002]

From the U.S. Government Printing Office via GPO Access

[CITE: 20CFR667.220]

[Page 793-794]

 TITLE 20--EMPLOYEES' BENEFITS

 CHAPTER V--EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR

PART 667--ADMINISTRATIVE PROVISIONS UNDER TITLE I OF THE WORKFORCE INVESTMENT ACT--Table of Contents

 Subpart B--Administrative Rules, Costs and Limitations

Sec. 667.220 What Workforce Investment Act title I functions and activities constitute the costs of administration subject to the administrative cost limit?

 (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.

 (b) 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:

 (i) Accounting, budgeting, financial and cash management functions;

 (ii) Procurement and purchasing functions;

 (iii) Property management functions;

 (iv) Personnel management functions;

 (v) Payroll functions;

 (vi) Coordinating the resolution of findings arising from audits,

reviews, investigations and incident reports;

 (vii) Audit functions;

 (viii) General legal services functions; and

 (ix) 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.

 (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

[[Page 794]]

program category based on the purpose or nature of the activity to be

improved. Documentation of such charges must be maintained.