

Employment Security Department

WASHINGTON STATE

Workforce Innovation and Opportunity Act Policy Employment System Administration and Policy

Washington envisions a nationally recognized fully integrated One-Stop system with enhanced customer access to program services, improved long-term employment outcomes for job seekers and consistent, high quality services to business customers. In order to achieve this vision, Employment System Administration and Policy sets a common direction and standards for Washington's WorkSource system through the development of WorkSource system policies, information memoranda, and technical assistance.

Policy Number: 5235

To: Washington WorkSource System

Effective Date: July 1, 2015

Subject: Administrative Cost Pool Grants

1. Purpose:

To communicate standards for the management and structure of Administrative Cost Pool Grants.

2. Background:

Under the Workforce Innovation and Opportunity Act (WIOA) of 2014, administrative funds awarded to Local Workforce Development Boards (LWDBs) are limited to ten percent (10%) of the Youth, Adult, and Dislocated Worker formula funds. Additional funds may be awarded by the Department. Such awards are based on identifiable needs and must be negotiated between the LWDB and the Employment Security Department (ESD).

3. Policy:

The State will issue Administrative Cost Pool (ACP) grants, incorporating all administrative funds available to the LWDBs. The ACP funds lose identity with regard to the original fund source, and are not to be reported against program expenditures.

Only state-authorized funds may be incorporated into the local area ACP. Funds made available to the LWDBs from the Governor's set-aside funds are program funds and do not include any administrative funds. In the event a local area is awarded Governor's set-aside program funds for or with an administrative allocation, the administrative funds must be

modified by contract to be incorporated into the LWDB's ACP.

A LWDB's existing ACP can be used to support statewide program activities and Dislocated Worker 25% set-aside program activities.

4. Definitions:

Administrative Costs: defined in regulation as expenditures incurred by State boards and local boards, direct recipients (including State grant recipients under subtitle B of title I), local grant recipients, local fiscal agents or local grant subrecipients, and one-stop operators in the performance of administrative functions and in carrying out activities under Title I that are not related to the direct provision of workforce investment services (including services to participants and employers). Such costs include both personnel and nonpersonnel costs and both direct and indirect costs.

The costs of administration are the costs associated with performing the following functions under Title I of WIOA. The list below is not all inclusive; it represents the most common administrative functions. A list with further detail of administrative functions may be found in 20 CFR 683.215.

- Accounting, budgeting, financial and cash management;
- Procurement and purchasing;
- Property management;
- Personnel management;
- Payroll functions;
- Coordinating the resolution of findings arising from audits, reviews, investigations and incident reports;
- Audit;
- General legal services;
- Developing systems and procedures, including information systems, required for administrative functions;
- Awards to subrecipients or contractors that are solely for the performance of administrative functions. (Note that except for such awards, all costs incurred for functions and activities of subrecipients and contractors are considered program costs, per 20 CFR 683.215(c)(4).

5. References:

All fiscal policies and guidance letters published for WIOA are governed, as appropriate, under:

- [Public Law 113-128](#)
- [20 CFR 683.215](#)
- [2 CFR Part 200](#)
- [Generally Accepted Accounting Principles \(GAAP\)](#)

6. Supersedes:

WIA Title I Policy 3235 Rev 2 – Administrative Cost Pool Grants

7. Website:

<http://wpc.wa.gov/adm/policy>

8. Action:

Local Workforce Development Boards and their contractors, as well as Employment Security Regional Directors, should distribute this policy broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

9. Attachments:

None.

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