**Workforce Investment Act Title I-B  
Washington State Policies**

**SECTION C: General Administration**

*Grantees, subrecipients, and contractors funded under the Workforce Investment Act (WIA), whether in whole or in part, must abide by the Workforce Investment Act of 1998, the WIA Regulations, all applicable Office of Management and Budget (OMB) circulars, state requirements in laws and rules (Revised Code of Washington Administrative Code) Office of Financial Management (OFM) policies and the Washington State WIA policies.*

|  |  |
| --- | --- |
| **EFFECTIVE DATE: WIA POLICY NUMBER: SUBJECT:** | January 9, 2006 3235, Revision 2 Administrative Cost Pool Grants, Revision 2 |

[BACKGROUND |](http://www.wa.gov/esd/1stop/policies/documents/archive/3235rev2.htm#BACKGROUND) [POLICY](http://www.wa.gov/esd/1stop/policies/documents/archive/3235rev2.htm#POLICY) | [DEFINITIONS](http://www.wa.gov/esd/1stop/policies/documents/archive/3235rev2.htm#DEFINITIONS) | [REFERENCES](http://www.wa.gov/esd/1stop/policies/documents/archive/3235rev2.htm#REFERENCES) | [WEBSITE](http://www.wa.gov/esd/1stop/policies/documents/archive/3235rev2.htm#WEBSITE) | [INQUIRIES](http://www.wa.gov/esd/1stop/policies/documents/archive/3235rev2.htm#INQUIRIES)

**BACKGROUND**

Under the Workforce Investment Act (WIA) of 1998, administrative funds awarded to Workforce Development Councils (WDCs) 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 WDC and the Department.

Revision 2 changes the contact information and adds a reference to the Department of Labor ‘s Financial Management Guide.

**POLICY**

The State will issues Administrative Cost Pool (ACP) grants, incorporating all administrative funds available to the local WDCs.  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 WDCs from the Governor’s 10% set-aside are program funds and do not include any administrative funds.  In the event a local area is awarded Governor’s 10% set-aside program funds with an administrative allocation, i.e. State Administrative funds, the administrative funds must be modified into the WDC’s ACP.  
  
A Workforce Development Council's existing ACP can be used to support 10% statewide program activities and Dislocated Worker 25% set-aside program activities.

**DEFINITIONS**

The regulations define administrative costs at 20 CFR 667.220 (a) as the allocable portion of the costs associated with specific functions and not related to the "direct provision of workforce investment services, including services to participants and employers".   
  
The administrative functions are specified to include the following:  
  
-  General administrative functions such as accounting, financial and cash management,  
-  Procurement, property management, personnel management, and payroll.  
-  Audit functions and those duties associated with coordination the resolution of findings  
   originating from audits, monitoring, incident reports, or other investigations.  
-  General legal services.  
-  Oversight and monitoring of administrative functions.  
-  Goods and services used for administrative functions.  
-  Developing systems, including information systems, related to administrative functions.  
-  The costs of awards made to subrecipient or vendor organizations for administrative services of   
   the awarding agency (for example, a payroll service for staff or participants).

**REFERENCES**

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

* Public Law 105-220
* 20 CFR Part 652
* OMB Circular A-122: Cost Principles for Non Profits;
* OMB Circular A-133: Audit of State and Local Government;
* OMB Circular A-133: Compliance Supplement;
* OMB Circular A- 21: Cost Principles for Education Institutions;
* OMB Circular A- 87: Revised Cost Principles for State and Local Government and Indian Tribal Government;
* Federal Register Vol. 65, No. 124: Resource Sharing for Workforce Investment Act One-Stop Centers; and
* One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG) - July 2002
* Generally Accepted Accounting Procedures (GAAP)

**WEBSITE**

<http://www.wa.gov/esd/policies/title1b.htm>

**SUPERCEDES**

Policy 3235, Revision #1

**DIRECT** **INQUIRIES TO**

Kim Anensen , Fiscal Manager  
Employment Security Department  
P.O. Box 9046, MS 6000  
Olympia, WA 98507-9046  
E-Mail: [kanensen@esd.wa.gov](mailto:kanensen@esd.wa.gov)    
Telephone: (360) 902-9525  
FAX: (360) 902-9520