On Track with Trade Adjustment Assistance
Community College and Career Training (TAA-CCCT)

Grant and Financial Management
TAAA-CCCT Funding Restrictions

February 22, 2012
TAA-CCCT Grants

Similar to other federal grants:

- Uniform Administrative Requirements
- Federal Cost Principles
- Grant Agreement

Different than other DOL ETA and Education grants:

- Indirect Cost Rate vs. F&A rate
- Administrative costs
- Prohibitions on wages, real property, tuition
- Supportive Services
Topics for today’s session

• Prior Approval
  – Equipment
  – Alterations

• Indirect Costs
  – Definition
  – Indirect Cost Rate

• Administrative Costs
  – Definitions
  – Cap
  – Distinctions: Indirect costs vs. Admin Costs
Topics cont’d

• Prohibitions against wages, tuition, and real property
  – Definitions
• Supportive services
  – TACT Definition
  – WIA definition
  – Allowable costs
Certain Costs Require Prior Approval

• Examples
  – Equipment
  – Alteration of facilities

• Prior Approval
  – Needed BEFORE incurring cost
  – Needed even if already in grant agreement
Indirect Costs

• **Indirect Costs**: any costs shared between multiple programs for which a definitive amount can not be directly attributed to a specific grant.

• Indirect Cost Rate or Cost Allocation Plan

• May be both Administrative & Program costs
Examples: Direct and Indirect Costs

– Direct costs – Information/Data Collection System costs for a specific grant:
  • Administrative: all costs directly related to financial recording and reporting
  • Program: all costs directly related to performance tracking and reporting

– Indirect costs – Equipment maintenance and operational costs for an office working with multiple programs
  • Administrative: general office copiers and printers
  • Program: maintenance costs for lab equipment
Indirect Cost Rate

• Applicable to grantees receiving funds from multiple sources
• Need approved ICR or Cost Allocation Plan
  – First 90 days
  – No ICR or CAP = no reimbursement for indirect costs
• Division of Cost Determination contacts
• F&A Rate is the same as an ICR
Indirect Costs vs. F&A

• F&A costs are defined in 2 CFR 220
• Applicable to Educational Institutions only
• Specific categories for facilities
  – depreciation and use allowances,
  – interest on debt associated with certain buildings,
  – equipment and capital improvements,
  – operation and and maintenance expenses,
  – and library expenses.
Indirect Costs vs. F&A cont’d

• Specific categories for administration
  – general administration and general expenses,
  – departmental administration,
  – sponsored projects administration, student administration and services,
  – and all other types of expenditures not listed specifically under one of the subcategories of Facilities (including cross allocations from other pools).
ETA Administrative Costs

- Defined at 20 CFR 667.210(b) and (c)
- Can be:
  - Personnel
  - Non-personnel
  - Direct
  - Indirect
- List of specific functions
- Allocable portion of necessary and reasonable costs

- NOT related to the direct provision of services
- NOT the same as Administration costs under F&A
Administrative Costs Limit

10% of total grant award amount
Administrative Costs - Compliance

- Measured at conclusion of grant period
- If exceed 10% at end of grant, costs will be disallowed
Tuition, Wages, and Stipends

DEFINITIONS

- **Tuition** = the fee for instruction at an Institution of Higher Education
- **Wages** = compensation for services performed for an employer
- **Stipends** = fixed sum of money paid periodically for services or to defray expenses
Unallowable

• Participant wages **NOT** allowable
  – Includes wages of students in co-operative education programs
  – Registered Apprenticeship
  – Internships

• Stipends to training participants for the purposes of wage replacement is **NOT** allowable

• Page 9 of SGA
Unallowable

• Tuition (pg. 9 of SGA)
• Scholarships
Faculty and Instructors

- Stipend for a contracted grant product or service (instead of wage) is allowable
- Adjunct faculty hired replace instructor
  - NOT allowable
  - Does not benefit the grant
Supportive services

STUDENT SUPPORT SERVICES
ALLOWABLE

WIA SUPPORTIVE SERVICES
UNALLOWABLE
Supportive Services

• **Student Support Services**
  – I.e. career guidance systems
  – Hiring and/or training staff
  – Developing or procuring online systems

• **WIA Supportive Services**
  – Childcare
  – Transportation
  – Dependent Care
  – Housing
  – Needs Related payments
Real Property

PROHIBITED:
• Purchase of Real Property
• Construction

ALLOWABLE WITH CONDITIONS:
• Rearrangement and alteration costs (renovations)
What is Rearrangement and Alteration?

Minor alterations to facilities to make ready for the grant

Also referred to as renovations
Rearrangement/Alterations

• Addressed in 2 CFR 220 Appendix A Section J.40 – Rearrangement and Alteration Costs
• Cannot impact equity value
• Prior approval of the Grant Officer required
• Examples
  – Refitting laboratory – may be allowable depending on SOW
  – Internal reconfiguration of offices- may be allowable depending on SOW
  – HVAC system installation - unallowable
Other funding restrictions

• SGA lists unallowable activities on pg. 9, 21, and 22

• Why prohibitions? They may duplicate services, benefits, or stipends provided to workers eligible for assistance under the TAA, Unemployment Insurance, or Workforce Investment Act programs.

• Grantees may not use grant funds to supplant other funding sources they are currently using to fund existing activities
Questions??