

City of Los Angeles
CALIFORNIA



JAMES K. HAHN
MAYOR

Date: SEP 09 2004

To: All WIAYouth Contractors

From: Manny Chavez, Acting Director
Workforce Development Division

Subject: **DIRECTIVE NUMBER: 05-03**
GUIDELINES FOR BUDGETING AND MONTHLY REPORTING
OF YOUTH OPPORTUNITY SYSTEM ADMINISTRATIVE COSTS

Currently, when budgeting yearly expenditures, Youth Opportunity System (YOS) contractors may breakdown budget line item expenses into administrative and program costs, but are not required to do so.

However, when reporting expenditures on monthly invoices, all contractors are required to identify both administrative and program costs.

For example:

A program director position is budgeted at \$50,000:

Job Title (One line per employee)	Employee Name	Annual Salary	Monthly Salary	FTE*	No. of Months	Admin	Program
Program Director	Work, Ned	\$50,000.00	\$4,167.00	100%	12	0	\$50,000.00

On the monthly expenditure report, administrative costs are reported based on the program director's actual job duties (job description):

Position Title / Fringe Benefit	Employee Name	Total Expenditures	Exp Breakdown (WIA & WtW Contracts Only)			Grand Total Cumulative Expenditures
			Admin	Tech & Comp (WTW)	Program	
Program Director	Work, Ned	\$4,167.00	\$1,250.10 (30%)	--	\$2,916.90 (70%)	\$4,167.00

Reporting administrative cost on monthly expenditure reports will allow CDD to track overall administrative expenditures. Ultimately, all YOS expenditures will be reported by CDD to the State as program costs.

There is currently no restriction on the amount of administrative funds that a YOS contractor may charge to a WIA funded contract. However, if we find that administrative expenses become unusually high, we will follow-up with your organization.

For a full summary of administrative cost as it relates to WIA funded programs, please refer to the WIA Final Rules 20 CFR 667.200, and Chapter II-5-4 of the *One-Stop Comprehensive Financial Management Technical Assistance Guide*, Department of Labor, Employment and Training Administration, July 2002 at:

http://www.doleta.gov/sga/pdf/FinalTAG_August_02.pdf

If you have any questions or concerns, please contact your assigned Budget Team member.

MC:FV:GS