



YouthBuild Global

New Grantee Orientation: Financial and Administrative

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Poll

Were you involved in writing the budget narrative?

A. Yes

B. Some

C. What is a Budget Narrative



Agenda

- Brief Overview of the Uniform Guidance
- YouthBuild Selected Items of Cost
- Match Funds
- Indirect Costs VS Administrative Costs
- Reporting
- Q&A



Brief Overview of the Uniform Guidance

- Uniform Guidance Update
- Uniform Guidance and DOL Exceptions
- Cost principles for allowable costs
- YouthBuild program regulations
- SMART 4.0 Webinars



Uniform Guidance Update

- Uniform Guidance (UG) is reviewed every 4 years.
- Published on April 22nd 2024, the changes only apply to grantees that were awarded on or after October 1st, 2024 ([TEGL 05-24](#))
- 2024 Grantees (you) will be using the updated version of the UG.
 - eCFR website only has the updated version of the UG
- Uniform Guidance Revisions Webcast: [Navigating the 2024 Uniform Guidance Revisions: What You Need to Know](#)



Where can you find the Uniform Guidance and DOL Exceptions?

- **Uniform Guidance:** <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>
- **DOL Exceptions to the Uniform Guidance:** <https://www.ecfr.gov/current/title-2/subtitle-B/chapter-XXIX/part-2900?toc=1>
- Uniform Guidance and DOL Exceptions apply to entities that receive federal financial assistance awards.
 - This includes states, local governments, Indian tribes, institutions of higher education (IHE), for-profit entities, foreign public entities, foreign organizations, and nonprofit organization.
 - **Also includes subrecipients.**



Cost Principles for Allowable Costs

- **Uniform Guidance Cost Principles at 2 CFR 200 Subpart E**
 - General Provisions 2 CFR 200.400-200.401
 - Basic Considerations 2 CFR 200.402-200.411
 - Direct and Indirect (F&A) Costs 2 CFR 200.412-200.415
 - Special considerations for states, local governments, and Indian Tribes 2 CFR 200.416-200.417
 - Special considerations for institutes of higher education 2 CFR 200.418-200.419
 - General provisions for selected items of cost 2 CFR 200.420-200.475



YouthBuild Program Regulations

- [20 CFR 688, Subpart E](#)
 - WIOA regulations on real property for YB grants: 20 CFR 688.550
 - Participant costs under YouthBuild: 20 CFR 688.560
 - Needs-based payments
 - Supportive Services
 - Follow-up services such as tuition assistance for obtaining college credits, scholarships to registered apprenticeship or technical education programs, and Employer-or-Government sponsored health programs
 - Incentive Payments: 20 CFR 688.570(c)



2 CFR 184: Buy America Preferences for Infrastructure Projects

- What this means for YouthBuild grant recipients:
 - Applies to the domestic purchase of goods, products and materials
 - Include this provision in all subawards including all contracts and purchase orders for work or products under this award.
- **2 CFR 200.322**
 - **Domestic preferences for procurements:** Grantees should, to the greatest extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States.
- Additional BABA info: [OMB Memorandum M-24-02](#)



SMART 4.0 Webinar Trainings – Grants Management Training

- Internal Controls
- Payments and Cash Management
- Match and Leveraged Resources
- Cost Allocation and Indirect Costs
- Subrecipient Management
- Financial Reporting
- Closeout and Post Closeout



YouthBuild Selected Items of Cost

- Types of Costs – Examples
- Real Property
- Participant Costs
- Wage, Stipends, or Benefits
- Other Allowable Costs/Activities

Types of Costs - Examples

Allowable

- Training costs
- Collection of improper payments
- Supportive Services

Allowable with conditions

- Personnel
- Donations
- Interest
- (Most Costs)

Unallowable

- Entertainment
- Fines and penalties
- Bad debts



Real Property under YouthBuild

- **WIOA Regulations on real property for YB grants:** [20 CFR 688.550](#)
 - Rehabilitation of existing structures for use by homeless individuals and families or low-income families or for use as transitional housing;
 - Construction of buildings for use by homeless individuals and families or low-income families or for use as transitional housing;
 - Construction or rehabilitation of community or other public facilities, however only 15% of the grant award is allowable for such construction and rehabilitation (see [20 CFR 688.520\(b\)](#))
 - Amount is determined based on the **proportionate share** of the purchase costs related to direct training.
- The purchase cost of buildings used **solely for training purposes** is allowable.
 - The allowable amount is determined based on the **proportionate share** of the purchase costs related to direct training.

Construction Costs - TEGL 05-10

Change 1: Attachment: *YouthBuild*

Selected Cost Items

SF-424A and Budget Narrative

You must list costs for construction supplies and materials in the Supplies or Other categories **NOT** in the Construction category.

Item	A: Allowable U: Unallowable AC: Allowable with Conditions*	Citation 20 CFR
Real Property		
Acquisition of authorized buildings	AC	688.550(b)
Acquisition of land	U	688.550(c)(1)
Construction of authorized buildings	A	688.550(a)(2)
Construction/rehabilitation of community/other public facilities (up to 15% of total grant award)	A	688.550(a)(3)
Rehabilitation of existing authorized structures	A	688.550(a)(1)
Relocation of buildings	AC	688.550(c)(4)
Pre-Purchase Phase		
Acquisition fees	U	688.550
Brokerage fees	U	688.550(c)(2)
Home appraisal	U	688.550
Home inspection	U	688.550
Termite inspection	U	688.550
Title fee	U	688.550
Pre-Construction/Construction/Rehab Phase		
Architectural fees	AC	688.550(d)
Building permits	U	688.550
Construction company services (provide the heavy equipment (crawler loaders, bobcats, dozers, mixers, operators, etc.))	A	688.550(c)(3)
Equipment rental costs	AC	688.550
Property insurance (not homeowners Insurance)	AC	688.550
Supervisors and training (up to 15% of the total grant award)	A	688.520(b)
Work on grantee-owned facility/property	U	688.550
Construction/Rehab Training Phase (TEGL 05-10)		
Appliances	U	688.550
Brick/cement	A	688.550(c)(1)
Clearance and demolition	A	688.550(c)(5)
Doors	A	688.550(c)(1)
Door locks	AC	688.550(c)(1)
Drywall	A	688.550(c)(1)



Participant Costs under YouthBuild

- Allowable participant costs include (per [20 CFR 688.560](#)):
 - The cost of payments to participants engaged in eligible work-related and non-work related YouthBuild activities
 - The cost of supportive services and needs-based payments
 - The cost of providing additional benefits to participants or individuals who have exited the program and are receiving follow-up services, which may include:
 - Tuition assistance for obtaining college credits
 - Scholarships to registered apprenticeship or technical education program
 - Employer or Government sponsored health programs



Wages or Stipends under YouthBuild

- Provisions of wages or stipends to participants in the YB program are allowable.
 - Note that these are payments to **trainees**, NOT employees
- Grant recipient may provide wage or stipends for work experiences, per **WIOA sec. 171(c)(2)**
 - Must have written policies in place.
 - Compensate youth at the same rates (including periodic increases) as similar trainees or employees in the construction fields, and rates must accord with all applicable laws.
 - YB participants are subject to Davis-Bacon Act labor standards.
 - The Davis-Bacon prevailing wage requirements apply to hours worked on the site of the work if the work site triggers Davis-Bacon ([TEGL 11-16, Change 1](#)).
- [Forms of payments for Youth Program Participants](#)



Orientation Activities/Mental Toughness

Allowable Costs Before Enrollment

- background checks
- drug tests
- staff time
- assessment tools

Unallowable Costs Before Enrollment

- bus tokens/travel
- tuition and books
- stipends or wages
- any supportive services
- clothing

For more information see: [TEGL 14-09](#)



Match

- Program Specific Provisions
- Criteria for Match

Poll

What is the Match requirement for most YouthBuild grants?

- A. 10%
- B. 15%
- C. 25%
- D. 40%



Program Specific Provisions – YouthBuild

- Must provide new cash or in-kind resources as match during the grant period equivalent to exactly **25 percent of the grant award**
- Can come from a variety of sources: public sector, non-profits, private sector, investors, and philanthropic communities
- DOL encourages additional cost sharing above 25 percent to be committed as leveraged resources
 - May use to cover costs or materials not otherwise allowable as a charge to grant funds
 - Must count, document, and report

Criteria for Match

- 2 CFR 200.306(b) – Criteria to qualify as Match



- DOL Exception at 2 CFR 2900.8
 - **Match is only recognized when the funds are expended on the program**



Indirect Costs vs Administrative Costs

- Direct Costs vs Indirect Costs
- Indirect Cost Allocation Methods
- Administrative Costs



Direct Costs vs. Indirect Costs

- **Direct Costs**

- Cost identified with a specific grant

- **Indirect Costs**

- Cost shared among multiple programs
- Cost shared among multiple categories
- Costs which are not readily identifiable with a particular cost objective.
- Examples:
 - Salaries – Executive Director, Accountant, etc.
 - Space – sq.ft. occupied by indirect staff
 - Supplies – used by indirect staff
 - Communications – used by indirect staff

Poll

Indirect Cost Allocation Methods
Who uses a:

- A. NICRA
- B. CAP
- C. De Minimis
- D. None of the above
- E. What are these???



Indirect Cost Allocation Methods

- Cost Allocation Plans.
 - A document that identifies, accumulates, and distributes allowable direct costs (or indirect costs for governmental organizations) and identifies the allocation methods used for distribution.
- Negotiated Indirect Cost Rate Agreements.
 - A rate is required if recipient has a direct Federal cost reimbursable grant, has more than one funding stream or award, and will request reimbursement for indirect costs.
 - No rate needed if no indirect costs in budget.
 - A negotiated agreement between the grant recipient and a cognizant agency.
- De Minimis Rate.
 - It is a simplified method of charging minimal amounts of indirect costs to Federally funded grants without having to obtain an approved indirect cost rate agreement from the Federal government.



Administrative Costs

- Administrative Costs is the performance of administrative functions, includes direct and indirect administrative functions.
- **YouthBuild has a 10% administrative cost limitation**
- Specific to each grant
- Measured at conclusion of grant period
- Tracked, accounted for & reported quarterly
- Administrative functions are defined in WIOA Final Rules at [20 CFR 683.215](#).

Administrative Costs $\neq$ Indirect Costs

- Administrative Costs are a classification of cost based on the cost's function.
- For ETA grants, Administrative cost limits are based on a percent of the total grant award.
- Indirect cost rates are how costs are charged to a funding stream, final cost objective, etc.

Total Grant Award \$1,000,000			
Total Program Costs \$900,000		Total Administrative Costs \$100,000	
Direct \$850,000	Indirect \$100,000	Direct \$50,000	Indirect \$50,000



Reporting

- Basic Reporting Requirements
- Accrual Reporting
- Reporting Match and Leveraged Resources – ETA-9130
- Common Reporting Mistakes



The Need for Financial Data

- DOL-ETA uses data to report to Congress and other stakeholders
 - Can influence future funding
- Track program performance against financial spending
 - Identify potential technical assistance
- Helps avoid returning grant funds back to DOL



Basic Reporting Requirements

- Basics – Accrual Reporting
- Frequency – Quarterly
- Due 45 Calendar days after quarter end
 - **January 1 - March 31, Due May 16**
 - April 1 - June 30, Due August 15
 - July 1 - September 30, Due November 15
 - October 1 - December 31, Due February 15
- TEGL 16-22, Change 1
- Transmission Method
 - Payment Management System

Quarter End Date	Quarterly ETA-9130 Due Date
March 31	May 16
June 30	August 15
September 30	November 15
December 31	February 15

Main Sections of the ETA-9130 Basic Form

- Basic Information (1-9).
- Federal Cash Section (10a-10c).
- Federal Expenditures and Unobligated Balance (10d-10i).
- Recipient Share (10j-10l).
- Program Income (10m-10o).
- Additional Expenditure Data Required (11).
- Remarks (12).
- Indirect Expenditures (13a-13g).
- Certification (14).
- [ETA-9130 Form](#)

U.S. DOL ETA FINANCIAL REPORT

(Follow instructions on the back.)

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by DOL		OMB Approval No. 1205-0461 Expires 10/31/2022				
3. Recipient Organization (Name and complete address including Zip code)								
4a. Unique Entity Identifier		4b. EIN		5. Recipient Account Number or Identifying Number				
6. Final Report ☐ Yes ☐ No		7. Basis of Reporting ☐ Accrual						
8. Project/Grant Period From: (MM/DD/YYYY)		To: (MM/DD/YYYY)		9. Reporting Period End Date (MM/DD/YYYY)				
10. Transactions				Cumulative				
Federal Cash:								
a. Cash Receipts								
b. Cash Disbursements								
c. Cash on Hand (line a minus b) \$ -								
Federal Expenditures and Unobligated Balance:								
d. Total Federal Funds Authorized								
e. Federal Share of Expenditures								
f. Total Administrative Expenditures								
g. Federal Share of Unliquidated Obligations								
h. Total Federal Obligations (sum of lines e and g) \$ -								
i. Unobligated Balance of Federal Funds (line d minus h) \$ -								
Recipient Share:								
j. Total Recipient Share Required								
k. Recipient Share of Expenditures								
l. Remaining Recipient Share to Be Provided (line j minus k) \$ -								
Program Income:								
m. Total Program Income Earned								
n. Program Income Expended in Accordance with the Addition Method								
o. Unexpended Program Income (line m minus line n) \$ -								
11. Additional Expenditure Data Required								
a. Other Federal Funds Expended								
12. Remarks: (Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.)								
13. Indirect Expenditures								
a. Type of Rate	b. Rate	c. Rate Approval Date	d. Period From (MM/DD/YYYY)	e. Period To (MM/DD/YYYY)	f. Base	g. Amount Charged	h. Federal Share	
h. Totals:						\$ -	\$ -	\$ -
14. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).								
a. Typed or Printed Name and Title of Authorized Certifying Official						c. Telephone (Area code, number, and extension)		
						d. Email Address		
b. Signature of Authorized Certifying Official						e. Date Report Submitted (MM/DD/YYYY)		
						15. Agency Use Only:		

Prescribed by OMB Uniform Guidance 2 CFR 200.

Persons are not required to respond to this collection of information unless it displays a currently valid OMB number. Public reporting burden for this collection of information, which is required to obtain or retain benefits (2 CFR 200.327 and WIOA Section 185(e)(2)), is estimated to average 45 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The reason for the collection of information is general program oversight, evaluation and performance assessment. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to ETA Office of Management and Administrative Services, Rm N-4653, U.S. Department of Labor, Washington DC 20210.



Online Reporting System

- Follow instructions in the Notice of Award.
- Provide requested reporting contact information.
 - An e-mail is sent to primary contact with password and PIN.
- Passwords and PINS.
 - Password issued to access system and enter data.
 - PIN issued to certify data.
 - Instructions link provides information on how to use system.
- [ETA Financial Reporting Access Document](#)



Justification in PMS

- According to Executive Order 14222 – “Implementing the President’s ‘Department of Government Efficiency’ Cost Efficiency Initiative,” Federal agencies are required to record every payment issued by the agency under each of the agency’s covered contracts and grants, along with a brief, written justification for each payment.
- **PMS now has a “justification” field wherein grant recipients must identify the purpose for the Federal funds being drawn down.**
- If a justification is not provided, the PMS will not process the drawdown.
- Training and Employment Guidance Letter (TEGL) is forthcoming



Accrual Accounting

- What is accrual accounting?
 - An accounting method in which revenues and expenses are recorded when **earned** or **incurred**.
 - Unlike cash basis of accounting – revenues and expenses are recorded when cash is received, or cash is paid out.
- **Not required** for grant recipients to have an **accrual accounting system** – can maintain a cash basis of accounting but **must report accrual** information on the ETA-9130 report.
 - [2 CFR 2900.14](#) – through best estimates based on an analysis of the documentation on hand.
- Real life example of accruals? Paying for your electricity bill.
 - You are using/receiving the good (the electricity) before you pay for the monthly bill.



Accrual Reporting

- Common accruals
 - Staff hours worked
 - Workers Compensation Coverage
 - Annual premium due
 - Services rendered
 - Invoices paid
 - Training started
 - Bills received





Accrual Reporting, Cont.

- **Accrual reporting** is **required** by grant recipients on the quarterly ETA-9130.
 - [2 CFR 2900.14](#) – ETA requires its grant recipients to report on an accrual basis even if they have a cash basis of accounting.
- If Cash Disbursements (line 10b) **equals** Federal Share of Expenditures (line 10e), then that is **red flag** that grant recipient isn't reporting accruals.
 - Largest accruals that we expect to be reported on the ETA-9130 report:
 - Payroll accruals
 - Utilities accruals

***PMS Cash drawdowns are for immediate needs only!**



Accrual Accounting vs Accrual Reporting

- There is a difference between accrual accounting and accrual reporting.
 - Accrual **accounting** is **NOT** required by Uniform Guidance or DOL exception
 - Accrual accounting is an **accounting method/ system**.
 - Grant recipients may maintain a cash basis of accounting ([2 CFR 200.302](#) and [2 CFR 2900.14](#)).
 - Accrual **reporting** is **REQUIRED** by DOL Exception ([2 CFR 2900.14](#))
 - Accrual reporting is a **reporting method** of reporting revenues and expenditures based on accrual accounting.
 - If grant recipient maintains a cash basis of accounting, **must** track accruals separately.
 - Can use a spreadsheet to tracking accrual expenditures.



Reporting Match and Leveraged Resources – ETA-9130

- 10j. Total Recipient Share Required
- 10K Recipient Share of Expenditures
- 10l. Remaining Recipient Share to be Provided
- 11a. Other Federal Funds Expended

Recipient Share:
j. Total Recipient Share Required
k. Recipient Share of Expenditures
l. Remaining Recipient Share to Be Provided (line j minus k)

11. Additional Expenditure Data Required
a. Other Federal Funds Expended

Indirect Expenditures – ETA-9130

- Indirect Expenditures (13a-13g) – only report if you are charging indirect cost to your grant.
- Indirect Expenditures incurred by the grant are to be reported on the **Final quarterly** 9130 report only.

13. Indirect Expenditures										
a. Type of Rate	b. Rate	c. Rate Approval Date	d. Period From (MM/DD/YYYY)	Period To (MM/DD/YYYY)	e. Base	f. Amount Charged	g. Federal Share			
h. Totals:					\$	-	\$	-	\$	-



Common Risks

- Recipients and subrecipients not reporting on accrual basis.
- Cash disbursements exceed expenditures.
- Inaccurate reporting at subrecipient levels, which results in inaccurate reporting by direct recipients.
- Important data items not collected from subrecipients.
- Administrative expenses exceeding limit.
- Classifying administrative expenses as program costs.
- Calculating/reporting indirect costs on basis other than that prescribed in negotiated rate agreement.
- Inconsistent reporting.
- Underreporting of program expenditures.
- Late reporting.



Resources

- [SMART 4.0](#)
- [SMART 3.0](#)
- Uniform Guidance
 - [2 CFR Part 200](#)
- Department of Labor Exceptions
 - [2 CFR Part 2900](#)
- YouthBuild Program Regulations
 - [20 CFR Part 688](#)
- [Core Monitoring Guide with YouthBuild Supplement](#)
- [ETA-9130 Form Instructions](#)