

Fiscal Frequently Asked Questions

Allowable Costs

What Construction Plus costs can be paid with DOL funding?

Some examples of Construction Plus costs are:

- Vocational trainers,
- Tuition costs with partner providing training,
- Training equipment,
- Books/supplies/materials,
- Wages/stipends

What Mental Toughness categories can be paid with DOL funding?

See [TEGL 14-09](#). Examples include:

- Recruitment and eligibility activities (background checks, drug tests),
- Staff time, assessment tools

What are allowable costs for the final year of grant?

Some allowable costs during the final year (i.e., follow-up) can be:

- Staff time,
- Supportive services,
- Incentives tied to training outcomes for participants

What are allowable construction costs?

See [TEGL 05-10, change 1](#). Some examples are:

- Materials,

- Staff Time,
- Wages/Stipends,
- Equipment/Tools

Construction costs can be in the “Supplies”, “Other”, “Personnel” or “Contractual” line items in your SF-424A and Budget Narrative. There should never be construction costs in the “Construction” line item of the SF-424A. Please see attachment 1 of TEGL 05-10, Change 1, “YouthBuild Related Items of Cost” for additional info. Some construction costs are allowable only with prior Grant Officer Approval.

Please NOTE: Even though you can pay for all the allowable costs you must have an approved work site for the costs to be allocable and allowable.

Construction

What should programs do if their construction site falls through?

What is the protocol for getting additional sites approved?

- Talk to FPO and housing partners immediately
- Start looking for new work sites
- Submit modification to add new work sites - Your FPO will help you with this

Are programs required to provide worker’s compensation?

- State/local laws vary, but most require workers’ compensation insurance when paying wages.
- You should request an IRS determination that participants are not employees, using [form SS-8](#)

Budget Modifications

What is the minimum amount that can be moved between line items without a budget modification?

- A formal budget modification request is triggered when amounts moved go over 10% of total approved budget
- Not necessarily within line items

If a program makes a scope of work modification, does that program also need to provide a budget modification?

- If changing the scope of work impacts the budget, yes; If the changes are more than 10% of the total approved budget, you must submit formal modification.

What are key factors in determining if a budget modification should be requested?

Some examples of key factors are:

- Program goals,
- Participant service levels,
- Staffing time levels,
- Sub-recipient performance

Match

Is there a specific way that match should be tracked?

- Yes, match should be tracked in the same manner in which regular expenditures are tracked and reported on ETA-9130 at the time of expenditure.

What back-up documentation is needed for match?

- The same documentation required for regular expenditures with the same level of detail of regular revenues or, for in-kind, valuation of goods and services received
- Auditable documentation

How should a grantee handle a situation when a partner who was providing match backs out of the partnership?

- Immediately call your FPO and
- work to identify additional sources of qualifying match.
- A scope of work modification will be required for the new match sources

Please NOTE:

- Failure to provide required match may result in grant funds being repaid in proportion to the shortage at the end of your grant.

What is the difference between match and leverage?

- Match is a required percentage share of the grant award from non-Federal sources.
- Leverage is any share beyond the required match that contributes to the objectives of the grant.
- Which means that if your required match is 25% then anything over the 25% is considered leverage

Indirect Costs

What are Indirect Costs?

- Indirect costs are not readily identifiable and cannot be directly assigned to a final cost objective
 - For example: Executive Dir. salary; Accountants' salaries

What is an Indirect Cost Rate?

- The Indirect Cost Rate represents the ratio of indirect costs that benefit direct costs, i.e., a percentage or billing rate

How is the Indirect Cost Rate determined?

- Costs negotiators will use organizational costs with the least amount of deviation to arrive at a base
- Most common bases are:
 - salaries and wages
 - Total direct costs
 - Modified total direct costs

Organizations that qualify for the *de minimis* rate will use the Modified Total Direct Costs base

Wages/Stipends/Incentives

What are the important considerations when using wages, stipends, and incentives?

See [WorkforceGPS - YouthBuild Tip Sheet: Allowable Financial Benefits for Participants](#)

Follow-Up Support

What can programs offer to participants in the follow-up year?

This is a list of examples for follow-up year expenditures:

- Supportive services:

- Referral/linkage to community services
- Needs-related payments
- Assistance with transportation (e.g., bus passes)
- Childcare and dependent care
- Housing
- Uniforms or other appropriate work attire, work related tools
- Books, fees, school supplies, and other necessary items for students enrolled in postsecondary education classes
- Educational testing
- Legal aid services
- Referrals to health care
- Payments and fees for employment and training-related applications, tests, and certifications.
- Job search and assistance
- Adult mentoring
- Services that help youth prepare for and transition to postsecondary education and training, including tuition assistance and scholarships to registered apprenticeship or technical education programs
- Incentive payments for recognition and achievement directly tied to training activities and outcomes

More information on this topic can be found at [688.120](#) of the WIOA Final Rule

Grant Management

**What should programs pay attention to in fiscally managing overlapping grant budgets?
Is there a best practice for allocating costs related to staffing both grants?**

- Yes. Proper establishment of accounting codes in the financial system to identify each grant separately
 - You should have ONE accounting fund code per grant
 - Provide training to staff on how to code expenditures; program income, match, revenues.
- If staff are working on overlapping grants they should be able to code their time according the time spent on each grant, in order to maximize resources

Take a look at [TEGL 02-10, Change 1](#) for Further Clarification on the Use of YouthBuild Funds Provided by Separate Year Funding Appropriations for more information:

Budget Modifications

What is a best practice for programs in recalculating their budgets? For example, programs budget for expending the full budget line for stipends, but do not end up spending the full amount. How/when should they be modifying the budget?

- You should be updating your budget regularly (e.g., monthly or quarterly);
- But communication between your program office and fiscal office is critical because you can repurpose monies before the grant expires
- Also communicate significant changes to your FPO
- And don't forget the budget is a living document

Enrollment Goals

What is the impact on a grantee if they do not meet their enrollment goal? Are there fiscal implications?

- Low enrollments may impact future grant applications
- This may also result in questioned/disallowed costs at the end of your grant
- Always keep your FPO informed to avoid a crisis