PROGRAM INSTRUCTION       Number  07-PI-21

DATE: December 24, 2007

TO: AAA Directors
    Title V Program Coordinators

SUBJECT: Title V Allowable Administrative, Trainee Wages and Benefits Expenditures

PURPOSE: This Program Instruction clarifies the New York State Office for the Aging (NYSOFA) policy regarding reimbursement of expenditures of Title V funding.

Background: The United States Department of Labor (USDOL) rules and regulations state that at least 75% of Title V federal monies spent by a subgrantee on reimbursable expenses must be for trainee wages and fringe benefits. NYSOFA allows its subgrantees to spend up to 9.45% of the federal funds on Administrative activities. The remainder of reimbursable expenditures can be spent on other Program costs.

Reimbursable Administrative Costs:

1. Performing overall general administrative and coordination functions, including: (i) Accounting, budgeting, financial, and cash management functions; (ii) Procurement and purchasing functions; (iii) Property management functions; (iv) Personnel management functions; (v) Payroll functions; (vi) Coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports; (vii) Audit functions; (viii) General legal services functions; and (ix) Developing systems and procedures, including information systems, required for these administrative functions;

2. Oversight and monitoring responsibilities related to administrative functions;

3. Costs of goods and services used for administrative functions of the program, including goods and services such as rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space;
(4) Travel costs incurred for official business in carrying out administrative activities or the overall management of the program; and

(5) Costs of information systems related to administrative functions (for example, personnel, procurement, purchasing, property management, accounting, and payroll systems) including the purchase, systems development, and operating costs of such systems. (OAA sec. 502(c)(4)).

Reimbursable Program Costs:

(1) Participant Wages and Fringe Benefits, consisting of wages paid and fringe benefits provided to participants for hours of community service assignments;

(2) Outreach, recruitment and selection, intake, orientation, assessment, and preparation and updating of Individual Employment Plans;

(3) Participant training provided on the job, in a classroom setting, or utilizing other appropriate arrangements, consisting of reasonable costs of instructors’ salaries, classroom space, training supplies, materials, equipment, and tuition;

(4) Job placement assistance, including job development and job search assistance, job fairs, job clubs, and job referrals; and

(5) Participant supportive services.

Reimbursement:

Example 1:

County A is awarded $30,000 in federal funds for the Title V program and the entire $30,000 is expended:

$30,000 X 75% = $22,500 is the minimum amount of federal funds that must be spent for Wages and Fringe.

$30,000 X 9.45% = $2,835 is the maximum amount of federal funds that can be spent for Administrative Activities.

$30,000 - W&F, Admin = $4,665 to $7,500 (the remainder) can be spent for Program Costs.

Example 2:

If County B is awarded $30,000 in federal funds for the Title V program and only spends $25,000 of the $30,000 then the following would apply:
$25,000 \times 75\% = $18,750 is the minimum amount of federal funds that must be spent on Wages and Fringe.

$25,000 \times 9.45\% = $2,630 is the maximum amount of federal funds that will be reimbursed for Administrative Activities.

$25,000 - W&F, Admin = $3,620 to $6,250 (the remainder) can be spent on Program Costs.

Example 3:

If County C is awarded $30,000 in federal funds for the Title V program and spends the entire $30,000 but only spends $21,000 of federal funds on Wages and Fringe:

$21,000 is 75\% of $28,000. Therefore $28,000 becomes the maximum federal funding allowed.

$28,000 \times 9.45\% = $2,646 is the maximum amount of federal funds that will be reimbursed for Administrative Activities.

$28,000 - W&F, Admin = $4,354 to $7,000 (the remainder) can be spent on Program Costs.

In the event that a program does overspend, NYSOFA will reduce the final voucher to the appropriate amount. The percentages must be adhered to as they relate to Wages and Fringe Benefits and Administrative Activities.

PROGRAMS AFFECTED: 
- [ ] Title III-B  
- [ ] Title III-C-1  
- [ ] Title III-C-2
- [ ] Title III-D  
- [ ] Title III-E  
- [ ] Title III-F  
- [ ] CSE  
- [ ] SNAP
- [ ] Energy  
- [ ] EISEP  
- [ ] NSIP  
- [x] Title V  
- [ ] HIICAP
- [ ] LTCOP  
- [ ] Other

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