
To: Indiana's Workforce System

From: Indiana Department of Workforce Development (DWD)

Date: October 31, 2024

Subject: DWD Policy 2024-04
Cost Allocation Plans

PURPOSE

To provide guidance to Local Workforce Development Boards (WDBs) on the development and submission of written Cost Allocation Plans (CAPs).

RESCISSION

DWD Policy 2003-27 *Cost Allocation Plan Policy*

REFERENCES

- Workforce Innovation and Opportunity Act (WIOA)
- 20 CFR 678.735(a)
- 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Office of Management and Budget (OMB) Circulars
- One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG)
- TEGL 17-16 *Infrastructure Funding of the One-Stop Delivery System*
- *One-Stop Comprehensive Financial Management Technical Assistance Guide*
- DWD Policy 2018-04, Change 2 *Memoranda of Understanding and Infrastructure/Additional Costs Funding Guidance*

CONTENT

A CAP identifies the methodology used by an organization to identify, accumulate, and distribute allowable direct and indirect (joint) costs. In the case of the Workforce Innovation and Opportunity Act (WIOA), CAPs play key roles in the development of infrastructure cost budgets for one-stop centers. For an infrastructure cost budget to be determined, local WDBs must provide to DWD the appropriate and relevant materials and documents used in the negotiations under the local funding mechanism, including but not limited to the cost allocation method or methods proposed by the partners to be used in determining proportionate share.¹

¹ 20 CFR 678.735(a).

The methodology outlined in the CAP must be consistent with the Federal Cost Principles of the Uniform Guidance in 2 CFR Part 200, all relevant federal regulations and statutes, applicable Office of Management and Budget (OMB) Circulars,² and the partner programs' authorizing laws and regulations.³

The U.S. Department of Labor released the One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG) to assist in the development of CAPs.⁴ The TAG provides guidance on the administrative and financial management requirements applicable to the one-stop systems required by WIOA and specifically includes information on Cost Allocation and Cost Pooling.⁵ DWD recommends using this resource when developing a CAP.

At a minimum, the CAP must include:

- An organization chart that identifies all departments and types of services provided;
- A description of the types of services provided for all revenue sources and cost objectives;
- A description of the methods including identification of the bases used in distributing the expenses to benefiting cost objectives; and
- Certification by an authorized Grant Recipient official that the CAP has been prepared in accordance with applicable federal and state legislation and regulations.

Examples of additional cost allocation methodologies can be found in DWD Policy 2018-04, Change 2.

ACTION

Each WDB Fiscal Agent must submit a copy of their current year CAP to oversight@dwd.in.gov no later than September 30th of each year. DWD will review the submitted plan and contact the WDB Fiscal Agent if the plan appears to be non-compliant with this policy or federal guidance. It is the responsibility of the WDB to ensure that a copy of the most current CAP is always on file with DWD. The content of this policy will be subject to routine DWD monitoring.

EFFECTIVE DATE

Immediately.

ENDING DATE

Upon rescission.

² OMB Circulars can be accessed at <https://www.whitehouse.gov/omb/information-for-agencies/circulars/#financial>.

³ TEGL 17-16.

⁴ [TAG Part I](#) and [TAG Part II](#).

⁵ Chapter II-8.

ADDITIONAL INFORMATION

Questions regarding the content of this publication should be directed to DWD Policy:
policy@dwd.in.gov.