



CENTRAL OKLAHOMA

WORKFORCE INNOVATION BOARD

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Cost Allocation Plan (CAP)

Approved and Published: February 2025

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The Central Oklahoma Workforce Innovation Board (COWIB) is the policy and guidance board for the Workforce Oklahoma system in Central Oklahoma. We are business leaders with a goal to establish a highly skilled, productive workforce in our 9-county area.

The Central Oklahoma Workforce Innovation Board (COWIB) complies with WIOA's Equal Opportunity and Nondiscrimination provisions which prohibit discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions,) national origin (including limited English proficiency), age, disability, political affiliation or belief, or, the basis of citizenship status or participation in a WIOA Title-1 financially assisted program or activity.

COWIB is an Equal Opportunity Employer/ Program. Auxiliary aids and services are available upon request to individuals with disabilities. Central Oklahoma Workforce Innovation Board's Workforce Innovation and Opportunity Act Title I program funding statement can be found at <https://cowib.org/funding/>.

<http://www.cowib.org/>



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COWIB Cost Allocation Plan (CAP)

Purpose

The purpose of this cost allocation plan is to summarize, in writing, the methods and procedures that Central Oklahoma Workforce Innovation Board will use to allocate direct and indirect costs to various programs, grants, contracts, and agreements.

The Code of Federal Regulations at Title 2 – Grants and Agreements, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, establishes the principles for determining costs of grants, contracts, and other agreements with the Federal Government. Central Oklahoma Workforce Innovation Board’s Cost Allocation Plan is based on the Simplified Allocation Method described in Appendix IV Part 200 – Indirect (F&A) Costs, Identification and Rate Determination for Non-Profit Organizations. The Simplified Allocation Method separates total costs for the base period as either direct or indirect and then divides the total allowable indirect costs by an equitable distribution rate. The result of this process is an indirect cost rate which is used to distribute indirect costs to individual awards.

Definitions

Direct Costs

- a. Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs.
- b. Application to Federal awards. Identification with the Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect (F&A) costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award. If directly related to a specific award, certain costs that otherwise would be treated as indirect costs may also include extraordinary utility consumption, the cost of materials supplied from stock or services rendered by specialized facilities or other institutional service operations.
- c. The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:
 1. Administrative or clerical services are integral to a project or activity;
 2. Individuals involved can be specifically identified with the project or activity;
 3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
 4. The costs are not also recovered as indirect costs.
- d. Minor items. Any direct cost of minor amount may be treated as an indirect (F&A) cost for

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reasons of practicality where such accounting treatment for that item of cost is consistently applied to all Federal and non-Federal cost objectives.

- e. The costs of certain activities are not allowable as charges to Federal awards. However, even though these costs are unallowable for purposes of computing charges to Federal awards, they nonetheless must be treated as direct costs for purposes of determining indirect (F&A) cost rates and be allocated their equitable share of the non-Federal entity's indirect costs if they represent activities which;
 - 1. Include the salaries of personnel;
 - 2. Occupy space; and
 - 3. Benefit from the non-Federal entity's indirect (F&A) costs.
- f. For nonprofit organizations, the costs of activities performed by the Non-Federal entity primarily as a service to members, clients, or the general public when significant and necessary to the non-Federal entity's mission must be treated as direct costs whether or not allowable, and be allocated an equitable share of indirect (F&A) costs. Some examples of these types of activities include;
 - 1. Maintenance of membership rolls, subscriptions, publications, and related functions;
 - 2. Providing services and information to members, legislative or administrative bodies, or the public;
 - 3. Promotion, lobbying, and other forms of public relations;
 - 4. Conferences except those held to conduct the general administration of the non-Federal entity;
 - 5. Maintenance, protection, and investment of special funds not used in operation of the non-Federal entity;
 - 6. Administration of group benefits on behalf of members or clients, including life and hospital insurance, annuity or retirement plans, and financial aid.

Indirect Costs

Facilities and Administrative Classification

- a. For major IHEs and major nonprofit organizations, indirect (F&A) costs must be classified within two broad categories: "Facilities" and "Administration." "Facilities" is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. "Administration" is defined as general administration and general expenses such as the director's office, accounting, personnel and all other types of expenditures not listed specifically under one of the subcategories of "Facilities" (including cross allocations from other pools, where applicable). For nonprofit organizations, library expenses are included in the "Administration" category; for institutions of higher education, they are included in the "Facilities" category. Major IHEs are defined as those required to use the Standard Format for Submission as noted in Appendix III to Part 200—Indirect (F&A) Costs Identification and

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Assignment, and Rate Determination for Institutions of Higher Education (IHEs) paragraph C. 11. Major nonprofit organizations are those which receive more than \$10 million dollars in direct Federal funding. The Central Oklahoma Workforce Innovation Board, as a pass-through sub-recipient and not receiving more than \$10 million dollars, does not qualify as either of these two definitions.

- b. Diversity of nonprofit organizations. Because of the diverse characteristics and accounting practices of nonprofit organizations, it is not possible to specify the types of cost which may be classified as indirect (F&A) cost in all situations. Identification with a Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect (F&A) costs of Federal awards. However, typical examples of indirect (F&A) cost for many nonprofit organizations may include depreciation on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.
- c. Federal Agency Acceptance of Negotiated Indirect Cost Rates;
 1. The negotiated rates must be accepted by all Federal awarding agencies. A Federal awarding agency may use a rate different from the negotiated rate for a class of Federal awards or a single Federal award only when required by Federal statute or regulation, or when approved by a Federal awarding agency head or delegate based on documented justification as described in paragraph (c)(3) of this section;
 2. The Federal awarding agency head or delegate must notify OMB of any approved deviations;
 3. The Federal awarding agency must implement, and make publicly available, the policies, procedures and general decision-making criteria that their programs will follow to seek and justify deviations from negotiated rates;
 4. As required under § 200.203 Notices of funding opportunities, the Federal awarding agency must include in the notice of funding opportunity the policies relating to indirect cost rate reimbursement, matching, or cost share as approved under paragraph (e)(1) of this section. As appropriate, the Federal agency should incorporate discussion of these policies into Federal awarding agency outreach activities with non-Federal entities prior to the posting of a notice of funding opportunity.
- d. Pass-through entities are subject to the requirements in § 200.331 Requirements for pass-through entities, paragraph (a)(4).
- e. Requirements for development and submission of indirect (F&A) cost rate proposals and cost allocation plans are contained in Appendices III–VII as follows:
 1. Appendix III to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination;
 2. Appendix IV to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations;

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3. Appendix V to Part 200—State/ Local Government and Indian Tribe Wide Central Service Cost Allocation Plans;
 4. Appendix VI to Part 200—Public Assistance Cost Allocation Plans; and
 5. Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals.
- f. In addition to the procedures outlined in the appendices in paragraph (e) of this section, any non-Federal entity that has never received a negotiated indirect cost rate, except for those non-Federal entities described in Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals, paragraph (d)(1)(B) may elect to charge an administrative rate of 10% of modified total direct costs (MTDC) which may be used indefinitely. Factors affecting allowability of costs, costs must be consistently charged as either indirect or direct costs, but will not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.
- g. Any non-Federal entity that has a federally negotiated indirect cost rate may apply for a one-time extension of a current negotiated indirect cost rates for a period of up to four years. This extension will be subject to the review and approval of the cognizant agency for indirect costs. If an extension is granted the non-Federal entity may not request a rate review until the extension period ends. At the end of the 4-year extension, the non-Federal entity must re-apply to negotiate a rate.

The Central Oklahoma Workforce Innovation Board will exclude capital expenditures and unallowable cost for both direct costs and indirect costs.

Only costs that are allowable, in accordance with the cost principles as specified in the Uniform Administrative Requirements at 2 CFR 200 will be allocated to benefiting programs by Central Oklahoma Workforce Innovation Board.

General Approach

Allowable Costs

The general approach of the Central Oklahoma Workforce Innovation Board in allocating costs to particular grants and contracts is as follows:

1. All allowable direct costs are charged directly to programs, grants, and activities.
2. Allowable direct costs that can be identified to more than one program, or activity within a program, are prorated individually as direct costs using a base most appropriate to the particular cost being prorated.
3. All other allowable facilities and administrative costs (costs that benefit all programs and cannot be identified to a specific program) are allocated to programs, grants, etc. using a base that results in an equitable distribution.

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For Organizational Chart – See Attachment A

Statement of Functions and Benefit

The Central Oklahoma Workforce Innovation Board's primary source of funding originates from the Workforce Innovation and Opportunity Act. The Board and its staff are engaged primarily in activities described under the Workforce Innovation and Opportunity Act of 2014. Should the Board receive any additional grants or funding, those new funds will be subject to the same cost allocation principles as WIOA grant funds. These activities include, but are not limited to:

1. Acting as the fiscal agent for the chief elected officials of the Central Oklahoma Workforce Development Area, the South Central Oklahoma Workforce Development Area, the Western Oklahoma Workforce Development Area, the Green Country Workforce Development Area, and the Northeast Workforce Development Area, which includes serving as the recipient of grant funds, processing payments to contractors for WIOA services, conducting financial monitoring of contractors, and procuring goods and services needed to ensure WIOA services are made available throughout the five separate Workforce Development Areas.
2. Developing and implementing policies that ensure WIOA services are provided by contractors that meet all the requirements delineated in the Act.
3. Monitoring the programmatic aspect of the services being delivered by contractors in Central Oklahoma to ensure that they are meeting program requirements and following established Board policy.
4. Ensuring that the contractors are meeting contracted performance requirements.
5. Checking the eligibility documentation of enrolled participants.
6. Fulfilling all of the responsibilities required of the Board and of the Fiscal Agent by the Act and Federal regulations, in addition to those responsibilities directed by policy of the Oklahoma Employment Security Commission.
7. Providing oversight and direction for the entire workforce system in Central Oklahoma. This entails bringing together the workforce system partners and leading the discussion and collaborative efforts to make the system more responsive to the demands of the business community.
8. Making available labor market information that will help the Board provide direction in building a demand driven system. This type of information will also aid jobseekers in their quest to develop skills that will provide them with more opportunities to become able to secure self-sufficiency. At the same time, information will be made available that will help the youth have the information they need to make early career decisions.

Additionally, the staff of the Board acts as the staff of the Board of Chief Elected Officials (BCEO) and as such, ensures that they are informed of program activities that affect performance. The Staff also supports the BCEO Board in fulfilling their roles and responsibilities specified in the Act.

Expense Items to be Allocated

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The Central Oklahoma Workforce Innovation Board incurs expenditures during normal day-to-day operations which are associated with the general administration of all grants and contracts within the entity. Costs which benefit all grants and programs include, but are not limited to, administrative salaries, fringe, travel, professional services, rent, office supplies, telephone, internet connection, and photocopier. Administrative salaries, fringe, and travel are charged directly to an administrative and/or fiscal cost pool. Other indirect expenses are determined as incurred and are gathered in the accounting system in an indirect cost pool. On a monthly basis, the pools are allocated to grants.

Cost Distribution Methodology

The following information summarizes the procedures that will be used by Central Oklahoma Workforce Innovation Board.

1. **Compensation for Personal Services** – COWIB utilizes a time distribution system that allows staff to identify time spent on activities attributed to specific grants in hourly increments. The time distribution system allows staff to charge time to the appropriate workforce area as well. Salaries and wages are charged directly to the program in which work has been done. The time distribution system allows the time of staff, working on administrative and/or fiscal activities that benefit all funding streams, to be charged to an administrative and/or fiscal cost pool. Unallowable time is charged directly to local funds. On a monthly basis, compensation costs placed in the administrative and/or fiscal cost pool is distributed based on the relative time charges that are identified and charged to specific grant funds.
 - a. Fringe benefits (FICA, Unemployment Compensation, and Worker’s Compensation) are allocated in the same manner as salaries and wages. Health insurance, dental insurance, life & disability, and other fringe benefits are also allocated in the same manner as salaries and wages.
 - b. Vacation, holiday, and sick pay are allocated in the same manner as salaries and wages.

Note – compensation charges must be supported by an after the fact determination of time and effort verified by a person knowledgeable about the actual time and effort expended on specific grants or overall activity.

2. **Accounting Staff Costs**—Costs such as wages, fringe, utilities, internet, and office space for accounting staff under COWIB acting as fiscal agent, will be allocated based on proportionate workload measured by the reoccurring transactional volume of each local area. Reoccurring transactional volume is allocated based on the number of general ledger (GL) transactions handled for each board. The GL will be evaluated quarterly to determine the amount of transactions and the cost pool may adjusted quarterly if needed.

Note—The breakdown of funding stream would be based on open enrollments at the beginning of each program year per each Local Board.
3. **Travel Costs** – All travel costs (local and out-of-town) are charged directly to the program(s) for which the travel was incurred. Travel costs which benefit all programs are placed in a cost pool and allocated in the same manner as salaries and wages.

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4. **Professional Services Costs** (such as consultants, accounting, and auditing services) – All professional service costs are charged directly to the program(s) for which the service was incurred. Costs that benefit all programs are placed in an indirect cost pool and allocated to grants and programs and/or area on a monthly basis based on relative Total Direct Cost (TDC) charges to that grant or program for the current month.
5. **Office Expense and Supplies** (including photocopier, office supplies, and postage) – Expenses used for a specific program(s) will be charged directly to that program. Postage expenses are charged directly to programs to the extent possible. Costs that benefit all programs are placed in a cost pool and allocated in the same manner as professional services. Supplies costs are identified by area and office as well.
6. **Telephone/Communications** – Long distance and local calls are charged to programs if readily identifiable. Other telephone or communications expenses that benefit all programs will be placed in a cost pool and allocated in the same manner as professional services. Communications cost are charged to the specific workforce area.
7. **Facilities Expenses** – Facilities costs, specifically board office rent, are placed in a cost pool and allocated in the same manner as professional services, except for those cost associated with system cost, which are incurred in order to provide the infrastructure for services being delivered to customers by our contracted service providers. All costs for the facility are then allocated based on the active and follow up enrollments by program per location.
8. **Allocations** – Where indirect charges need to be allocated between various broad categories within a funding source the costs will be allocated by the relative amount of total direct costs (TDC) incurred by each of the broad categories. This is applicable to cost incurred by the Board and Fiscal Agent Staff only and not to those system cost. Those are allocated based on the model describes in the previous section.
9. **Unallowable Costs** – all unallowable costs will be charged to local funds and not allocated via the above cost allocation methodology.
10. **Indirect Cost Limitations** – in the event that a grant or programs either does not allow indirect costs to be charged to the grant or program or the budgetary limitation has been reached, the amount of indirect cost that would have been charged to that grant or program will be charged to local funds and not allocated to other grants.

Cost Distribution Methodology – Review

An annual review of indirect costs charged to the various program will be completed to determine that a reasonable and equitable amount of indirect costs has been charged to each (all) benefited grants or programs. The CEO shall conduct this review and make a decision as to whether there were any changes that are necessitated to ensure each program or grant receive an equitable amount of indirect costs. Should there be no changes required the CEO, no action is necessary. The CEO is authorized to make any additional changes to this policy to ensure its proper implementation.

Certification

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This cost allocation plan has been prepared in accordance with WIOA legislation, all applicable federal regulations issued by the U.S. Department of Labor and by the Office of Management and Budget, and with all issued State requirements.

Equal Opportunity and Nondiscrimination Statement

All Recipients, and Sub-recipients / Sub-grantees must comply with WIOA's Equal Opportunity and Nondiscrimination provisions which prohibit discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions), national origin (including limited English proficiency), age, disability, political affiliation or belief, or, for beneficiaries, applicants, and participants only, on the basis of citizenship status or participation in a WIOA Title-I financially assisted program or activity.

Addenda / Revisions

The COWIB Chief Executive Officer is authorized to issue additional instructions, guidance, approvals, and/or forms to further implement the requirements of policy, without making substantive change to the policy, except in situations when a new or updated state and federal guidance is issued.