

NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
Division of Housing and Community Resources

WEATHERIZATION ASSISTANCE PROGRAM
BULLETIN # 307

Date Issued: May 23, 2006

Subject: Material and Labor Cost

Allowable Material and Labor/Support Cost

The Office of Low-Income Energy Conservation is providing clarification on the allowable methodology for charging material and labor cost. As you know, there is no longer a requirement to charge a set percentage of material and labor.

There is still a requirement to charge the cost of a unit to both material and labor and to health and safety when appropriate.

Agencies cannot charge all of the cost of a unit to material or labor. When funds are leveraged for Weatherization, the percentage of material and labor charged for those funds must be the same percentage as used for the weatherization funds expended in the building.

When an agency is installing materials using crew labor it is understood that the labor cost will not appear on the Completed Units Report because the cost of in-house labor is captured on the fiscal report.

This office reserves the right to disallow units that have material and labor ratios that are not reflective of the work reported. Example: The retrofit of windows by installing caulking and glazing and charging cost to material only, when this is a labor intensive job.

To avoid disallowed cost, Weatherization Managers are encouraged to consult their assigned monitor on the proper method of charging material and labor.