

	New Jersey Workforce Innovation Notice		WD-PY24-10, Change 1
	Issued By:	Workforce Development, Division of Career Services	
	Approved By:	Dr. Yolanda Allen, Assistant Commissioner Workforce Development	
	Issued Date:	June 11, 2025; Revised November 21, 2025	

SUBJECT: Workforce Innovation and Opportunity Act (WIOA) and WorkFirst New Jersey (WFNJ) Budget Guidelines and Requirements

PURPOSE: This guidance revises WD-PY24-10 to require the completion of a Budget Modification Form (attached) when a local area intends to make certain budget changes.

EFFECTIVE DATE: This New Jersey Workforce Innovation Notice (NJWIN) is effective immediately.

POLICY RESCISSIONS: Rescinds and replaces WD-PY24-10.

FOR FURTHER INFORMATION: Questions about this policy can be directed to WIOApolicy@dol.nj.gov.

OVERVIEW

This budget guidance provides an overview of the requirements for Local Workforce Development Boards in developing and monitoring budgets, specifically highlighting requirements for utilizing NJDOL's WIOA budget template, entry of budgets in IGX, requirements regarding specific budget line items and modifications, and NJDOL's monitoring and accountability procedures regarding budget expenditures over budget oversight.

BACKGROUND

In May 2022, NJDOL issued a new local governance policy, WD-PY21-6, that outlined the key responsibilities of New Jersey's LWDBs. Developing a budget for the activities of the LWDB that is "consistent with the local plan and the duties of the Local WDB" is one of the 14 core functions of LWDBs outlined in that policy and in [20 CFR 679.370](#). In other words, budgets must include resources to support the LWDB itself in carrying out the responsibilities outlined in WIOA.

WIOA specifically articulates, and allows for, significant investments in our local workforce systems, not only at the operational level, but also in supporting the development of systems and governance structures that support innovative approaches and high-quality service delivery to jobseekers, workers, and employers.

Since the release of New Jersey's local governance guidance, [WD-PY21-6](#), NJDOL has updated and released annual budget guidance to support New Jersey's Local Workforce Development Boards (LWDBs) in developing budgets that support the full range of capacities expected of the board, related both to local governance and service delivery. Through these guidance documents, NJDOL has provided both new tools and procedures for supporting LWDBs in planning annual budgets, as well as drawing down funds and reporting on spend downs.

This guidance seeks to support LWDBs in preparing and administering PY25/FY26 budgets and focuses on funds issued through standard state allocations in which NJDOL has oversight responsibilities, specifically WIOA and WFNJ.

In addition to WIOA and WFNJ allocations, LWDBs also receive other funds. These include:

- Additional funding through other state workforce programs, county initiatives, and private grants.
- Receipt of funds from required One Stop partners as negotiated through Infrastructure Funding Agreements (IFAs) to support One Stop Career Center operations. Please see [WD-PY22-4.2](#) for more information regarding the development of IFAs, and corresponding Memoranda of Understanding (MOUs).

While this guidance focuses specifically on WIOA and WFNJ funds, LWDBs must have processes in place for both allocating budgets and tracking expenditures for all funding sources.

Finally, LWDBs must have local policies in place that further detail and clarify allowable expenditures and budget expectations for contracted providers that (1) align with state and federal guidance and policy and (2) focus on the delivery of quality services to participants.

GENERAL BUDGET REQUIREMENTS

WIOA Title I Funds

WIOA Title I funds consist of three unique federal funding streams, Title I Adult, Title I Dislocated Worker, and Title I Youth.

WIOA funds are structured to maximize flexibility for LWDBs and ensure that local areas have dedicated resources available at the start of each new program year. This is particularly beneficial for obligating funds for service contracts that have been procured for the new program year. This allows and provides opportunities for LWDBs to plan for Request for Proposals (RFPs) and service contracts based on current funding levels versus waiting for new allocations.

WIOA formula allocations have a two-year agreement and performance period. For example, the program year (PY) 2025 agreement period begins July 1, 2025 and ends June 30, 2027. LWDBs must spend 100% of each funding allocation by the end of the two-year performance period. Funds not expended by June 30, 2027 will be recaptured by NJDOL.

LWDBs are responsible for managing two years of overlapping WIOA funding, ensuring the spend down of all funds.

NJDOL requires that LWDBs utilize the First-In, First-Out (FIFO) accounting method, to ensure that funds are used within their designated time frames, starting with the oldest funds first, thereby minimizing the risk of funds expiring before they are spent. FIFO practices also need to adhere to cost categories – administrative and program; in some cases, an LWDB may spend program dollars and administrative dollars from different WIOA funding years based on the availability of funds in either cost category within a funding year. For example, if all administrative resources have been spent down within PY24/FY25 WIOA allocations but program resources still remain within this funding stream, the LWDB

will charge administrative costs to PY25/FY26 WIOA funds, while continuing to charge program costs to PY24/FY25 until this full amount is spent down.

These practices align with the general principles outlined in Uniform Guidance 2 CFR Part 200, which governs the administration of federal grants, including those under WIOA. The one exception to this is in regards to administrative funds, given the limitations of spending no more than 10% of funds on administrative expenses.

WFNJ Funds

Work First New Jersey (WFNJ) funds consist of federal funding from Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP). These funds must all be spent down within one year. No funds can be obligated into the following program year.

WIOA and WFNJ Funding Timelines

All funds must be spent down by the final day of the program year, June 30th. Local areas have additional time for gathering and paying invoices on any outstanding contracts and services rendered during the prior program year. This is then followed by a date for submissions of final reports and documentation to NJDOL.

The table below provides an overview of the final dates for spend down, liquidation, and reporting to NJDOL across WIOA and WFNJ.

	Year 2 WIOA Funds	WFNJ Funds
Spend Down	June 30 th	September 30 th
Liquidation	July 31 st	December 31 st
Reports Due	August 15 th	January 15 th

Please note the following definitions for spend down, liquidation, and reporting:

- **Spend Down Dates** refer to the last day that an expenditure can be incurred. Any expenditures after this date can not be charged to the funding stream.
- **Liquidation Dates** refer to the last day that a payment can be made on an expenditure that was incurred before the spend down date. Any payments after this date can not be charged to the funding stream.
- **Reports Due Dates** refer to the date by which all final expenditure reports and documentation must be submitted to NJDOL.

BUDGET COMMUNICATIONS AND NOTIFICATIONS

NJDOL provides information about annual allocations and the use of WIOA and WFNJ dollars through several means:

Notice of Award (NOA). This is the formal notification to the Chief Elected Official (CEO) that the state is making an award of funds to the local area. It is a legally binding document that includes the amount of allocation, the dates by which funds must be obligated and spent, and some details of funding restrictions including maximum amounts dedicated to administrative costs and reimbursements for specific programs.

Sub-Recipient Agreement Details/Addendum. This legally binding document outlines federal and state requirements for funding, including minimum and maximum expenditures to be dedicated to specific activities or programs, and distribution of an award among WFNJ or WIOA programs. It may also contain direction on or restrictions on procedures for drawing down funds. The Addendum may vary from year to year depending on the priorities of NJDOL, past patterns of spending or documentation, or other factors.

Letter or other communication. NJDOL may opt to supplement these official communications with additional letters or email to CEOs, Workforce Development Board Directors, and/or Workforce Development Board chairs. Such communication may detail USDOL or NJDOL priorities for funding; recommended but not required minimum or maximum expenditures; highlight new requirements in the NOA or Addendum; and share plans for items that may be included as requirements in future years.

Training. NJDOL may provide or mandate training on budget policies and procedures as a condition of receiving funding.

BUDGET REPORTING SYSTEMS

NJDOL began utilizing a new system for administering WIOA and WFNJ grants, IGX (Intelligrants), with the start of PY24/FY25. In PY24/FY25, LWDBs submitted grant information in IGX, as well as the previous platform, the System for Administering Grants Electronically (SAGE).

Once PY23/FY24 final reports are submitted in August and September 2025, the SAGE platform will no longer be used for managing WIOA and WFNJ funds. Beginning with PY25/FY26, all grant activities will be managed through IGX.

Requests for access to IGX can be sent to WIOAPOD@dol.nj.gov.

OVERVIEW OF BUDGET REQUIREMENTS

Budgets for WIOA and WFNJ are submitted in the form of “cost summaries” in IGX. Cost summaries must be allocated before any WIOA or WFNJ funds are expended. ***Submitted cost summaries are binding commitments to expend funds as indicated in line items.*** Expenditures may not be moved from one line item to another without following the procedure outlined in the Expenditure Procedures section of this policy.

Table 1 below provides an overview of the line items that are included in IGX for detailing PY25/FY26 and remaining PY24/FY25 budgets.

Table 1: Overview of IGX Cost Summary Line Items

Funding Area	Cost Summary Line Items	
WIOA Title I Adult, DW, and Youth Services	• Total Salaries/ Wages • Total Fringe Benefits • Occupancy Costs • Travel • Conferences & Training • Training Contracts	• Work-Based Training • Incumbent Worker Training • Basic Skills • Pay for Performance • Supportive Services • Contracted Services

		• Other
WFNJ Services	• Total Salaries/Wages • Fringe Benefits • Conferences & Training • Occupancy Costs • Travel • Subsidized Employment Staff and Participant Costs	• Education and Training Staff and Participant Costs • Other Work Activities Staff and Participant Costs • CAVP Staff and Participant Costs • Case Management • Work Verification • Needs Based Work Support

In addition, NJDOL requires the submission of the [Annual Budgeting Template](#) that provides more specific details regarding budgets that align with this cost summary.

Starting with PY25 budgets, all LWDBs must submit a full budget in this template, in order to start drawing down funds. This budget template is designed to support LWDBs in planning and creating intentional budgets that align with their local plans and strategies.

Additional Budget Requirements

In addition to the WIOA-required budget guidelines described below, NJDOL may impose additional budget requirements, either permanently or on an annual basis. These requirements will be outlined in the annual Notice of Award (NOA) letter and sub-recipient agreement and accompanying documents. Additional requirements may include but are not limited to:

- Minimum proportion of expenditures directed to activities that directly support jobseekers and employers
- Expenditures dedicated to specific capacity-building activities, including professional development for staff
- Timetables for drawing down funds and limits on drawdowns
- Current executive rates of pay
- Dates by which funds must be expended
- Monitoring and compliance expectations
- Any requirements that may be specific to a local area based on past expenditure patterns or compliance concerns

Overview of WIOA Budget Guidelines

WIOA law and regulations guide the development of WIOA budgets. These guidelines include the following:

Administrative Expenditures: No more than 10% of WIOA Adult, Dislocated Worker, and Youth funds may be expended on administrative expenditures.¹ However please note that the administrative costs of competitively procured provider contracts count as program costs, not administrative costs. LWDBs are responsible for setting and monitoring specific expectations regarding administrative costs for these contracts. Administrative costs are highlighted in [20 CFR 683.215\(b\)](#) and include a variety of costs related to fiscal, HR, legal, and information systems performing administrative functions.

¹ As defined in WIOA regulations at [20 CFR 683.215](#)

Youth Work Experience Expenditures: IGX allows for LWDBs to develop a comprehensive budget for Youth Work Experience. Costs for Youth Work Experience (for both In-School and Out-of-School Youth) are broken out across the same set of personnel, non-personnel, and participant services categories as other Title I programs. 20% of youth program funds (less admin costs) must support youth work experiences. WIOA defines a range of costs that count towards youth work experience requirements in USDOL Training and Employment Guidance Letter ([TEGL 21-16](#), and most recently [TEGL 9-22](#) expanded allowable costs related to youth work experience. Youth work experience costs include the following:

Allowable Youth Work Experience Costs	
Wages	When work experiences are classified as an employment situation, opposed to a training situation, wages are paid according to all applicable laws.
Incentives	20 CFR 681.640 states that “incentive payments to youth participants are permitted for recognition and achievement directly tied to training activities and work experiences.
Stipends	In general, stipends represent a fixed, regular small payment made to a youth to encourage participation in a WIOA Youth program.
Supportive Services	While not previously an allowable work experience cost, Training and Employment Guidance Letter (TEGL) 9-22 states that local WDBs may count funds spent on Youth Work Experience for supportive services if it has been determined the services are necessary for participation in the work experience.
Associated Staff Costs:	• Participant work experience orientation sessions • Employer work experience orientation sessions • Classroom training or the required academic education component directly related to the work experience • Employability skills/job readiness training to prepare youth for a work experience • Identifying and developing a work experience opportunity, including staff time spent working with employers to identify and develop the work experience • Working with employers to ensure a successful work experience, including staff time • Managing the work experience • Evaluating the work experience
Other Allowable Costs	• Participant work experience orientation sessions • Employer work experience orientation sessions • Classroom training or the required academic education component directly related to the work experience

Out-of-School Youth Expenditures: 75% of youth program funds (less admin costs) must support services to out-of-school youth across WIOA’s 14 program elements (highlighted in [20 CFR 681.460](#)). An out-of-school youth is defined as an individual age 16-24 at the time of WIOA enrollment that is not attending school and has one or more barriers to employment as detailed in [20 CFR 681.210](#)

Incumbent Worker Training Expenditures: Up to 20% of combined total adult and dislocated worker funds may be utilized to support Incumbent Worker Training. Incumbent Worker Training is training “designed to meet the special requirements of an employer (including a group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills

necessary to retain employment.”²

Staffing Expenditures: [TEGL 12-23](#) also highlights that salaries and bonuses cannot be paid out at a level in excess of the Executive Level II rate specified by the federal Office of Personnel Management; the specific level for that rate for the current year will be included in annual NOAs and/or sub-recipient agreement details. Furthermore, while LWDBs may braid funding to support the salaries and benefits of individual staff, funding levels must not exceed the actual cost of any individual’s compensation.

Direct Service Expenditures: Finally, NJDOL is recommending that all local areas allocate and spend at least 40% of WIOA Adult, Dislocated Worker, and Youth funds on expenditures that directly support jobseekers and employers. This includes:

- Individual Training Accounts (ITAs) which directly support training costs
- Subsidized wages for work-based learning opportunities
- Wages, Stipends and incentives for youth in work experience
- Supportive Services that provide direct services for addressing barriers to employment.

In addition, for the youth work experience line item specifically, LWDBs must ensure that at least 40% of this line item supports the direct service expenditures highlighted above, specifically wages, stipends, and incentives, as well as supportive services. As highlighted in, [TEGL 9-22](#), supportive services are an allowable youth work experience cost.

The IGX system offers internal controls for ensuring that budgets and expenditures align with these expectations.

Overview of WFNJ Guidelines

WFNJ budget guidelines mirror specific guidelines highlighted above in relation to WIOA budgets. Specifically, WFNJ budget guidelines include the following:

Administrative Expenditures: No more than 10% of WFNJ funds may be spent on administrative expenditures. As with WIOA funds, the administrative costs of competitively procured provider contracts count as program costs, not administrative costs. LWDBs are responsible for setting and monitoring specific expectations regarding administrative costs for any competitively-procured local contracts. Administrative costs include a variety of costs related to fiscal, HR, legal, and information systems performing administrative functions.

Staffing Expenditures: WFNJ funds follow the same requirements as WIOA. Salaries and bonuses cannot be paid out at a level in excess of the Executive Level II rate specified by the federal Office of Personnel Management; the specific level for that rate for the current year will be included in the NOA and/or sub-recipient agreement details. Furthermore, while LWDBs may braid funding to support the salaries and benefits of individual staff, funding levels must not exceed the actual cost of any individual’s compensation.

Direct Service Expenditures: Finally, NJDOL is recommending that all local areas allocate and spend at least 40% of WFNJ funds on expenditures that directly support jobseekers and employers. This includes:

- Subsidized wages for work-based learning opportunities

² As defined in [20 CFR 680.790](#)

- Supportive Services that provide direct supports for addressing barriers to employment.

BUDGET DEVELOPMENT RESOURCES

As highlighted above, NJDOL has developed an Annual Budgeting Template to support New Jersey's LWDBs in developing and planning comprehensive annual budgets that align with the NJDOL budgeting requirements highlighted in this guidance. The submission of an annual budget utilizing this template is mandatory starting with PY25 budgets. This tool is designed to support LWDBs in generating budgets that offer a more expansive overview of capacity-building and service delivery investments, that align with the cost summary entry requirements in IGX.

NJDOL's Annual Budgeting Template, is available here:

[https://www.nj.gov/labor/assets/PDFs/WIOA/documents/resources/NJDOL%20PY25-FY26%20WIOA%20Budgeting%20Template%20\(Updated%205-16-25\).xlsx](https://www.nj.gov/labor/assets/PDFs/WIOA/documents/resources/NJDOL%20PY25-FY26%20WIOA%20Budgeting%20Template%20(Updated%205-16-25).xlsx)

This tool has been designed to help LWDBs in:

1. *Detailing program vs. administrative costs at the LWDB level:* Many [functions](#) of the LWDB may be classified as program costs. Attachment A provides a desk guide from USDOL with guidelines for determining whether costs be allocated as administrative or program.

Any costs that are allocated as programmatic costs related to supporting the work and operations of the LWDB must include a justification for how this supports services for employers and/or participants. Clear justification and documentation are core to ensuring allowable allocations and expenditures.

Below, we provide examples of some specific areas that NJDOL has identified as areas that may be allocated as program costs. These areas include:

- Investment in program and service design and development
- Development of local LMI tools for employers and jobseekers
- MOU/IFA negotiation activities, including recruitment of additional partners and services
- Program data entry and management
- Employer engagement activities
- Program monitoring and continuous improvement

Again, the allowability of these costs requires justification and documentation that specifies the direct connection to and impact of these costs on service delivery.

Furthermore, the full amount of contracts to One Stop Operators, One Stop Career Services providers, and One Stop Youth providers are all categorized as program costs.

NJDOL's Annual Budgeting Template includes separate tabs for planning and documenting administrative versus programmatic costs, as well as specifying the budgets for contracted service providers.

2. *Monitoring budget details related to resources directed toward contracts for any career, youth, and/or literacy service vendors:* For Title I Career Services and Youth Services, and One Stop

Operators, these contracts must be competitively procured. Please see [WD-PY22-5](#) for NJ's competitive procurement policy. LWDBs are responsible for the monitoring and oversight of these contracted provider budgets separate from NJDOL reporting, which includes gathering detailed budgets from providers and tracking expenses against those budgets. The template includes tabs for detailing these provider budgets separately from IGX.

3. *Documenting and detailing separate budget line items for LWDB activities from the activities of operational entities (for WIOA):* Program costs, specifically, include LWDB costs and costs associated with One Stop Operator, Career Services, and Youth Services contracts. To facilitate clearer differentiation between LWDB and contracted services costs, contracted services must be captured in the contracted services line items in IGX. Please note, however, direct services to participants must be captured in individual line items in IGX, such as Training Contracts, OJTs, and Supportive Services, separately from contracted service amounts. This is all reflected in *NJDOL's Annual Budgeting Template*.

CLOSEOUT PROCEDURES

As highlighted in the General Budget Requirements section above, all expenditures for WIOA second-year funds and WFNJ funds must be incurred before July 1st of any given program year. LWDBs have one month to liquidate any outstanding invoices for WIOA, and three months to liquidate funds connected to WFNJ.

Final expenditure and closeout reports are due August 15th for WIOA and September 30th for WFNJ. As part of closeout procedures, LWDBs must de-obligate all encumbrances and ensure that unliquidated obligation and accounts payable totals are zero. LWDBs may shift any remaining encumbrances/obligations from second-year WIOA funds to first-year WIOA funds. After final expenditure reports are submitted for WIOA and WFNJ, NJDOL will review end-of-year reports and unspent amounts will be recaptured.

Given the timeline for liquidation and final reporting related to Year 2 WIOA funding, NJDOL recommends that LWDBs aim to spend down all second-year funds by April 30th. This helps to ensure that all of the invoices within the period of performance and the sub-recipient agreement are received from all vendors and paid within the timeline of the liquidation period.

EXPENDITURE AND REPORTING PROCESSES

In PY24, NJDOL instituted a set of expenditure and reporting processes that we will continue to maintain moving forward. NJDOL reserves the right to update specific procedures for notification and reporting. Any updates will be clearly communicated and do not preclude compliance with requirements.

Drawdown Procedures

LWDBs must adhere to the following processes when drawing down funds to reimburse grant expenditures:

- To initiate a request for cash from NJDOL, subrecipients must complete, and submit for approval the Payment Voucher form, located within IGX, under the Forms section.

- Subrecipients must submit drawdowns between the 1st and the 25th of each per month; any drawdowns received after the 25th of each month will not be approved by NJDOL until the 2nd of the next month.
- Subrecipients must ensure that all grant program funds drawn down match the program funding stream of the program in which the expenditure was incurred.
- Local areas must draw down funds every month that align with the month's expenditures and cash reconciled each month.
- If a subrecipient does not draw down funds in a particular month for any reason, the subrecipient must document an explanation in the Notes section of IGX, as well as send an email to WIOAPOD@dol.nj.gov by the 25th when drawdowns are due.
- Subrecipients may draw down funds a maximum of three times per month. Funds from WIOA and WFNJ allocations may be requested in the same drawdown.
- Any program income must be expended in the same month in which it is earned. An explanation for the occurrence of the program income must be added in the Notes section. Subrecipients should not request a drawdown until program income is expended and must provide notification to NJDOL as described above if they will not request a drawdown in a particular month.
- If a subrecipient has positive cash on hand, any drawdown request must account for this cash on hand. In other words, subrecipients must first utilize this cash on hand before requesting additional drawdowns. If positive cash on hand exceeds expenditures in a given month, the area must notify NJDOL as described above that it will not be drawing down funds. When a local area has cash on hand, the area must put a note in IGX with an explanation for the cash balance and a plan and date for projected expenditure of the cash. In addition, a note must be entered in IGX highlighting the justification for the positive cash on hand, when it will be expended by, and verifying that there will be no cash drawdowns until its expended.

Expenditure Reporting Procedures

NJDOL requires regular reporting of expenditures to facilitate state reporting to USDOL, identify areas where technical assistance may be required, and take prompt action on questionable expenditures.

- Subrecipients must submit expenditure reports no later than the 15th of each month, using the established functions in IGX.
- The LWDB must certify that the expenditure report is accurate each month in IGX, and aligns with the previous drawdown, in order to continue drawing down funds. Each month the LWDB Director must certify in the *Expenditure Certification* tab in IGX that the expenditure report is accurate. If an expenditure report is not certified, future drawdowns will not be allowed until all expenditure report certifications are up to date. Preparers of expenditure reports are captured in IGX and must not be the final certifier of expenditure reports.

- While NJDOL expects the submission of monthly expenditure reports, if an expenditure report includes more than one month, the report must include a note in IGX with an explanation for the comprehensive report and clear indication of the months that are included.
- Each expenditure report must include a list of all expenditures from the accounting system of record. The list must reconcile to the expenditure report, and cash disbursements and payables must equal expenditures. IGX requires that the supporting documentation be attached prior to submitting the reports.
- Any unusual circumstances that arise with expenditure reporting must be documented in the Notes section in IGX so that NJDOL can track the LWDB's activities.
- As a reminder, all LWDBs must use FIFO when expending funds.

Non-Compliance Procedures

If a subrecipient fails to submit an expenditure report in a single month the following procedure must be followed.

- An email must be sent to NJDOL fiscal contacts for an extension request. The email must include the reason the report is unable to be submitted by the due date of the 15th. The subrecipient will be granted up to 5 days to submit the expenditure report. Once the LWDB submits the report, a copy of the approval email will be uploaded to the Miscellaneous Attachments, Forms section of the report.
- Failure to submit a report by the 20th of the month in which it is due will result in notification to the WDB Director and WDB Chair.
- Failure to submit a report by the 15th of next month would constitute failure to submit expenditure reports for two consecutive months and would result in initiation of formal corrective action procedures and a letter to the Chief Elected Official.
- If a subrecipient does not take action within 60 days of that notification, NJDOL may enact corrective actions or penalties as outlined in the [Sanctions Policy WD-PY24-1](#).
- A subrecipient's failure to submit reports, even failures which do not reach corrective action, will be noted on NJDOL's USDOL quarterly federal reports.

Modifications to Budget Line Items

Cost summaries submitted to IGX are binding commitments to expend funds as indicated per line items. After cost summaries are finalized at the beginning of the program year, Local Workforce Development Boards must notify New Jersey Department of Labor of any changes in allocations in any line items. Notifications must be sent to WIOAPOD@dol.nj.gov with a subject line that highlights the name of the Local Workforce Development Board and indicates a "Budget Modification." All notifications must include an explanation and justification for the change.

In addition to providing notification, some budget changes require approval from NJDOL before submitting those changes in IGX. This includes if:

1. ***A change results in a change of 10% or more of a single line item***, compared to the initial cost summary submission
2. ***Any transfer of funds out of line items providing direct services to participants***: Direct services include the following line items, Individual Training Accounts, work-based learning wages, stipends, incentives, and supportive services. LWDBs must notify NJDOL of any transfer of funds from these line items to line items that do not support direct support of participants. NJDOL will consider the percentage of funds allocated to direct services when approving these changes. If an LWDB makes a budget modification in which funds are transferred between direct service line items, and these changes are less than 10%, no approval is required.

To request a modification that requires NJDOL approval, a Budget Modification Request Form (Attachment B, attached) must be completed and submitted to WIOAPOD@dol.nj.gov with a subject line that highlights the name of the Local Workforce Development Board and indicates a “Budget Modification Request.” NJDOL will respond to requests for approval within 10 business days. Additionally, any requests that would increase or decrease an item 10% of the allocation must comply with [New Jersey local budget law](#) in addition to NJDOL guidance.

In addition, any capital expenditures for (1) *general purpose* equipment, buildings, and land, and (2) *special purpose* equipment with a unit cost of \$5,000 or more, are unallowable without written approval of NJDOL, as per [2 CFR 200.439](#). In addition, NJDOL’s [Purchases Guidance \(WD-PY24-5\)](#) offers additional details regarding equipment cost approvals.

Finally, any request for transfer of funds between Adult and Dislocated Worker allocations and/or request for additional funds must follow NJDOL’s Transfer of Funds and Additional Funding Request guidance, [WD-PY22-15](#), including the submission of forms attached to the guidance.

ONGOING DEVELOPMENT OF BUDGET MONITORING PRACTICES

NJDOL’s Workforce Division, along with the Office of Internal Audit and Fiscal department, is continuing to develop strategies for supporting and overseeing WIOA and WFNJ budgets. These monitoring efforts focus on ensuring that the planning, development, and implementation of program budgets and the expenditure of funds align with federal, state, and local priorities and requirements.

While NJDOL intends to use the information provided in the [Expenditure and Reporting](#) Process above for much of its budget monitoring, NJDOL may request and require additional budget details as part of these ongoing monitoring activities.

A subrecipient/ local area’s failure to comply with the reporting and notification procedures outlined in this policy, or other monitoring requested by NJDOL, may result in corrective actions or penalties as highlighted in N.J.A.C 12:42-3 and [WD-PY24-1](#).

Attachments:

- Attachment A-USDOL Desk Reference Admin vs. Program Costs
- Attachment B-Budget Modification Request Form

The Workforce Innovation and Opportunity Act

What WIOA title I functions and activities constitute the costs of administration subject to the administrative cost limitation at 20 CFR 683.215?

GENERAL GUIDELINES

Administrative costs are incurred by:

- State and Local Workforce Development Boards,
- Regions, and
- Direct grant recipients including:
 - State grant recipients,
 - Local grant recipients,
 - One-stop operators,
 - Local grant subrecipients, and
 - Local fiscal agents.
- Administrative costs are not related to the direct provision of workforce investment services, including services to participants and employers.
- Administrative costs can be:
 - Personnel,
 - Non-personnel,
 - Direct, and
 - Indirect.

ADMINISTRATIVE COSTS

- 1) General administrative functions and coordination of the following functions (20 CFR 683.215(b)(1)(i-x)):
 - accounting, budgeting, financial and cash management;
 - procurement and purchasing;
 - property management;
 - personnel management;
 - payroll functions;
 - resolution of findings arising from audits, reviews, investigations and incident reports;
 - audits;
 - general legal services functions;
 - information system development (see item # 5)
 - development of systems and procedures including information systems, for administrative functions; and
 - fiscal agent responsibilities.
- 2) Performing oversight and monitoring related to WIOA Administrative functions (20 CFR 683.215(b)(2)).
- 3) Costs of goods and services required for administrative functions of the program, including goods and services such as (20 CFR 683.215(b)(3)):
 - 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 (20 CFR 683.215(b)(4)).
- 5) Costs of information systems related to administrative functions including the purchase, development, and operating costs of such systems (20 CFR 683.215(b)(5)). For example:
 - Personnel,
 - procurement and purchasing,
 - property management, and
 - accounting and payroll systems.
- 6) Awards to subrecipients or contractors that are solely for the performance of administrative functions.

The allowability and allocability of administrative costs must be consistent with the Cost Principles in the Uniform Guidance. Efforts must be made to streamline the services and functions to reduce administrative costs by minimizing duplication and effectively using information technology to improve services.



EMPLOYMENT AND TRAINING ADMINISTRATION
UNITED STATES DEPARTMENT OF LABOR

WIOA Desk Reference

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The Workforce Innovation and Opportunity Act

PROGRAM COSTS

- 1) **Costs tied to the direct provision of workforce investment services including services to participants and employers. Such costs may include the following:**
 - career services;
 - business services for employers;
 - performance measures/outcomes;
 - continuous improvement activities;
 - tracking or monitoring of participant and performance information;
 - employment statistics information, including job listing information, job skills information, and demand occupation information;
 - performance and program cost information on eligible training providers, youth activities, and appropriate education activities;
 - local area performance information;
 - information related to supportive services; and
 - information related to unemployment insurance claims for program participants.
- 2) **All costs incurred for functions and activities of subrecipients, except those entities listed in the box labeled "General Guidelines", and contractors are charged as program costs.**

For example, an entity contracted to provide youth services incurs incidental costs for processing youth work experience. The entity's payroll may charge all of its costs to program costs.
- 3) **Costs of the following information systems, including the purchase, systems development and operating (e.g. data entry) costs are charged as program costs. Unless funding, award or other notices say otherwise.**
- 4) **Negotiation of a Memorandum of Understanding (MOU) or Infrastructure Funding Agreement (IFA) ([20 CFR 683.205\(a\)\(5\)](#)).**

ADMINISTRATIVE OR PROGRAM COSTS

These costs might be charged as administrative or program costs depending on the circumstance.

- 1) **Personnel and related non-personnel costs of staff who perform both administrative functions and programmatic services are allocated to the benefitting cost objectives/categories. Allocation of cost are in accordance with equitable allocation methodologies outlined in the Uniform Guidance.**
- 2) **Continuous improvement activities are charged based on the purpose or nature of the activity to be improved. Documentation of such charges must be maintained.**
- 3) **Infrastructure costs for title I programs**

Title I WIOA partner programs can use administrative and program funds to pay for infrastructure costs. However, the definition of administrative costs may differ in other partner programs. Partner's contributions for infrastructure costs are subject to the partner programs' administrative cost definition and limitations. For title IV WIOA partner programs, such as Vocational Rehabilitation (VR), agencies must report funds spent for infrastructure costs as administrative costs ([20 CFR 678.720](#)).



Adult and Dislocated Worker Budget Modifications Form

To complete the modification request, enter the relevant program year, then fill out the table below. For each relevant line item, enter **1)** the Funding Stream (Adult or Dislocated Worker(DW)) **2)** The current dollar amount, **3)** The change, in dollars, and **4)** The new total for each relevant line item.

Local Workforce Development Board _____

Program Year _____

Cost Category	Funding Stream (Adult/DW)	Current Amount \$	Increase/ Decrease Amount (+/-) \$	New Total \$
Personnel-Salaries/Wages				
Personnel-Fringe				
Non-Personnel-Occupancy Cost				
Non-Personnel-Travel				
Non-Personnel-Conference & Training				
Non-Personnel-Other (Describe in Justification)				
Participant Services-Training Contracts				
Participant Services-Work-based Training				
Participant Services-Incumbent Worker Training				
Participant Services-Pay for Performance (PfP)				
Participant Services-Support Services				
Participant Services-Contracted Services				
Administrative Personnel-Salaries/Wages				
Administrative Personnel-Fringe				
Administrative Non-Personnel- Occupancy Cost				
Administrative Non-Personnel- Travel				
Administrative Non-Personnel- Conf. & Training				
Administrative Non-Personnel- Other				
Administrative- Contracted Services				

Justification-Please provide a detailed explanation for why the modification is required to meet program goals.

Workforce Development Board Director Signature _____

Date _____

NJDOLE Representative Signature _____

Date _____

NJDOL ONLY

Approved _____ Not Approved _____

Justification for Approval or Denial

Youth Program Budget Modification Form

To complete the modification request, fill out the table below. For each relevant line item, enter 1) In-School or Out-of-School Youth (ISY/OSY); 2) The current dollar amount, 3) The change in dollars, and 4) The new total for each relevant line item.

Local Workforce Development Board _____ Program Year _____

Cost Category	Funding Stream ISY/OSY	Current Amount \$	Increase/ Decrease Amount (+/-) \$	New Total \$
Personnel-Salaries/Wages				
Personnel-Fringe				
Non-Personnel-Occupancy Cost				
Non-Personnel-Travel				
Non-Personnel-Conference & Training				
Non-Personnel-Other				
Participant Services-Training Contracts				
Participant Services-Work-based Training				
Participant Services-Incumbent Worker Training				
Participant Services-Pay for Performance (PfP)				
Participant Services-Support Services				
Participant Services-Contracted Services				
Administrative Personnel-Salaries/Wages				
Administrative Personnel-Fringe				
Administrative Non-Personnel- Occupancy Cost				
Administrative Non-Personnel- Travel				
Administrative Non-Personnel- Conf. & Training				
Administrative Non-Personnel- Other				
Administrative- Contracted Services				
Work Experience Cost Category				
Personnel-Salaries/Wages				
Personnel-Fringe				
Non-Personnel-Other (Describe in Justification)				
Participant-Work-Based Training				
Participant-Support Services				

Justification-Please provide a detailed explanation for why the modification is required to meet program goals.

Workforce Development Board Director Signature _____Date _____

NJDOL Representative Signature _____Date _____

NJDOL ONLY

Approved _____Not Approved _____

Justification for Approval or Denial