

March 28, 2002

DIRECTIVE:	PRH CHANGE NOTICE NO. 01-05
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TO: ALL JOB CORPS NATIONAL OFFICE SENIOR STAFF
ALL JOB CORPS REGIONAL DIRECTORS
ALL JOB CORPS CENTER DIRECTORS
ALL JOB CORPS CENTER OPERATORS
ALL NATIONAL TRAINING AND SUPPORT CONTRACTORS
ALL OUTREACH, ADMISSIONS AND CTS CONTRACTORS

FROM: RICHARD C. TRIGG
National Director
Office of Job Corps

SUBJECT: PRH Chapter 5: Appendix 502 (Center Financial Management) and
Appendix 503 (Outreach/Admissions and Career Transition Services
Financial Management)

1. Purpose. To revise and reissue old Appendices 901 and 902 as new Appendices 502 and 503, respectively, within the new structure of the Policy Requirements Handbook. The revisions are mainly of a technical nature and are intended to: a) clarify expense categories in relation to the different phases of the career development system; and b) revise certain data presentation requirements that anticipate the implementation of the new automated Job Corps Financial Management System (JC FMS) that is being developed by the Job Corps Data Center (JCDC).

2. Background. A revised and restructured PRH was issued in July 2001 in order to accommodate and implement important program design changes that are referred to as the Career Development Services System (CDSS). Some of these program design changes have implications for certain aspects of Job Corps center financial management. However, due to scheduling issues, it was necessary to delay the revision and re-issuance of old Appendices 901 and 902 until this time. In addition to revising and clarifying expense categories in relation to new CDSS concepts, new Appendix 502 (Center Financial Management), and 503 (Outreach/Admissions and Career Transition Services Financial Management) will contain certain technical changes that will facilitate the subsequent streamlining of both center and OA/CTS financial management from a paper intensive activity to a more fully automated activity that has been designed and is being tested by the JCDC.

3. Explanation of Major Changes Being Proposed.

- a. CDSS-Related Changes. The financial management revisions that are intended to accommodate CDSS are of a relatively minor nature. The old "PLACEMENT" expense category is being replaced with a more broadly defined "CAREER TRANSITION SERVICES" category. The other two major phases of CDSS (Career Preparation and Career Development) fall more closely within the purview of center operations. However, it is felt that the existing structure of center operations expense categories will continue to provide appropriate and meaningful financial management information in the CDSS environment.
 - b. Changes Related to New JC FMS. None of these changes apply to the federally administered Civilian Conservation Centers (CCCs). They apply solely to the centers operated under contract issued by DOL. The single most important change is that center operations expense at the line item level (line items 01 - 29) and OA/CTS expense at the line item level (line items 01 - 09) must be reported not only on a contract year basis, but on a contract from inception basis as well. The other main substantive changes common to both new appendices involve more explicit reconciliations of 2110 cost report data and 2181 budget data with information contained in contractor invoices and in the contract estimated cost clause.
 - c. Elimination of Sub-Account Data Maintenance Requirement. The requirement to maintain financial data pertaining to center operating expense and OA/CTS expense at the sub-account level (i.e., a level below that which is reported on the center cost reports) is being eliminated. However, it is anticipated that the sub-account structure will continue to be used in cost proposals that must be submitted in connection with the center and OA/CTS contract procurement process.
 - d. Other Changes Specific to OA/CTS Financial Management. The structure of the line item detail has been modified to furnish information that is deemed more useful. The first line items on the old format (lines 01-03) were used to report different aspects of personnel expense. These have now been collapsed into a single line (line 01), which permits the establishment of two new line items (GSA vehicle rental and equipment). The cost reporting form (2181-OA/CTS) has also been revised to provide for the reporting of Student Transportation expense on a below-the-line basis and to provide for one additional below-the-line, "write-in" category to cover instances where a stand-alone OA/CTS contract contains an additional activity not related to O/A or CTS. A cross-walk between the current line-item structure and the new structure is provided in the new Appendix 503.
4. Action Required. Addressees are to insure that a copy of this Change Notice is distributed to the appropriate staff.
 5. Effective Date. May 2002.

6. Inquiries. Questions and comments concerning these new guidelines may be referred to Steve Puterbaugh at (202) 693 3126, or email to sputerbaugh@doleta.gov).

Attachments