APPENDIX 502

CENTER FINANCIAL MANAGEMENT

TABLE OF CONTENTS

A. INTRODUCTION

1. Scope.

Appendix 502 contains instructions and requirements for budgeting and reporting the costs of operating Job Corps centers. This Appendix is applicable to both contractor operated centers and federally operated centers. Sections A, B, and C are relevant to both types of centers. Sections D and F apply strictly to contract centers and Sections E and G apply strictly to federal centers.

With respect to contract centers, this Appendix is not intended to supersede the proposal development requirements prescribed in the standard RFP. However, the cost categories established in this Appendix are being used in the budget formats contained in the standard RFP. The requirements of this Appendix become applicable after award of a center contract and are intended to cover: (i) the reporting of actual costs, (ii) the process for revising the contractually approved budget, and (iii) the process for refining and reconciling the contract budget upon issuance of annual extensions.

For federally administered centers, this Appendix is not intended to supersede the annual budget formulation process that occurs prior to the start of each Job Corps program year. The requirements of this Appendix cover: (i) the reporting of the actual costs for operating the federally administered centers and (ii) the procedures for revising the initial annual center budget that is approved at the outset of each program year.

2. Purpose.

The procedures and requirements contained in this Appendix are intended to serve as the basis of a financial management system that provides Job Corps program managers at several different levels with important information for managing resources and determining the efficient allocation of funds. The Job Corps center financial management system provides for:

- Periodic, detailed review of actual expenses and, in the case of contract centers, a comparison between planned (budgeted) versus actual expense.
- For contract centers, the reliable identification of variances from budget that may require corrective action.
- The ratification of appropriate adjustments in current year and out-year budgets.
- The compilation of nationwide Job Corps cost data for inclusion in reports to the Congress and the public.

B. SYSTEM OVERVIEW

1. Uniform Cost Categories.

A major feature of the Job Corps center financial management system is the use of uniform cost categories that allow for comparability between centers and for the compilation of national and regional totals for analytical and public reporting purposes. The cost categories have been defined in a way that will provide information that is immediately relevant to ongoing managerial and oversight functions.

2. Initial Budget Formulation.

The initial formulation of a Job Corps center's operating budget is accomplished differently for a contract center than for a federally operated center. For a contract center, the initial budget is formulated during the procurement process through which the contract is awarded.

The approved budget for a contract center is reflected in the formal contract document **in summarized form** within the estimated cost clause. It is a requirement of this Appendix that the summarized budget set forth in the estimated cost clause always be backed up by a current line-item budget that is prepared using the Form 2181, Contract Center Operations Budget. Except for the 5th and final year of a center contract, "2181" budgets are prepared in sets of two - one providing a line-item budget for the current contract year and one for the next contract year. The initial "2181" budgets that are prepared upon contract award are for the first contract year and the second contract year and should be based on the contractor's proposal. However, the initial budget may incorporate minor revisions as agreed to or required by the regional office.

The budgets for the federally operated centers are formulated annually in a cycle that coincides with the July 1 through June 30 Job Corps program year. Several months prior to the start of a program year, the DOL-Job Corps National Office issues budget/planning instructions to the federal conservation agencies to initiate the budget formulation process. One of the main outcomes of this process is the development of a detailed line-item budget for each federal center that is approved at the outset of the program year. This approved budget is known as the program operating plan and provides the basis for later fund transfers to the conservation agencies.

3. Reporting of Actual Expenses.

Contract centers are required to report actual expenses on a monthly basis. For center financial management and Job Corps monitoring purposes it is important that analysis be performed on data that is as current as possible. Moreover, the availability of monthly cost data allows an analysis of trends that could not be identified through less frequent reporting.

Federally operated centers are required to report on a quarterly basis. Monthly cost reporting to DOL is not necessary for these particular centers because day-to-day responsibility for financial management and oversight resides in the conservation agencies rather than in DOL.

For contract centers, the reports (on multi-page ETA Form 2110, Job Corps Contract Center Financial Report) will display line item data on costs for the current month and cumulative costs incurred to date during the current contract year (year 1, year 2, year 3, year 4, year 5, whichever is in effect at the time) and cumulative from contract inception.

For the federally administered centers, the reports are prepared using ETA Form 2110F, Job Corps Conversation Center Financial Report, and will display line item data on costs for the current quarter and the cumulative costs incurred to date during the current Job Corps program year.

4. Comparing Actual Versus Planned Costs - Contract Centers.

For center operating expense, the cost reports for contract centers require a comparison of actual expenses versus planned expenses. There is no equivalent requirement for such comparisons in the cost reports submitted to DOL for federal centers. This is so because the day-to-day responsibility for financial management and oversight resides in the conservation agencies rather than in DOL.

The comparison of actual versus planned expenses at contract centers is in the context of the line item budget that is in place for center operating expenses during the current contract year. Center operators may elect to make these comparisons through either one of two methods.

The first method is for the center operator to break out the budget for the entire current year into an internal month-by-month, line item budget that takes into account the seasonal variations that influence some line items (e.g., fuel and utilities). This internal budget is then used as the basis for entering the amounts of the "planned" line item expenses for the current contract year to date.

The second method is to compute the current year expenses that are "planned" through the end of the current month via a simple straight-line proration of the approved budget for the entire current year. The proration of planned expenses **must be on the basis of days rather than months**. This second method, though not as precise as the first, is deemed to be adequate for Job Corps financial management purposes. The method of reporting Planned Expense cannot be changed during a contract year.

5. Displays and Evaluation of Variances - Contract Centers.

For center operating expense, the cost reports for contract centers will identify budgetary variances by individual cost category on a contract year to date basis. A line item variance is simply the difference between planned contract year to date cost and the actual contract year to date cost.

Center operators must provide a narrative explanation of cause and corrective action for any line item variance that exceeds an amount that is 3.0% or more (plus or minus) of the current year budget for that line item or $2,500, whichever is greater. A narrative explanation is further required whenever the current contract year to date actual Net Center Operations Expense exceeds the planned Net Center Operating Expense by an amount equating to 1% of the total center operating budget for the current year.

Please note that the threshold for explaining variances is determined as a percentage of the full year's budget amount. This is contrary to intuition, which would say that the variances should be viewed in terms of planned expense to date. The purpose of the non-intuitive approach prescribed above is to lessen the narrative reporting burden relative to variances that occur in the early months of the budget year. This permits center operators an opportunity to resolve or reverse variance trends before being officially required to explain them to DOL.

Reported variances may occur for a number of reasons, including: (i) erroneous assumptions in the formulation of the budget, (ii) unforeseen events requiring greater or fewer financial resources than anticipated, (iii) poorly controlled spending, and/or (iv) internal reporting or computational errors. The identification and analysis of variances may lead to a wide range of corrective actions, including:

- Spending constraints to reduce or stabilize overruns.
- Increased spending in areas where adequate resources have not been utilized to provide prescribed services.
- Improvements to internal administrative control systems and the provision of training to appropriate staff.
- Budget revision request to more reasonably distribute financial resources between cost categories.
- Initiation of requests for an increase or decrease in the contract estimated cost to adjust for unforeseen cost or program changes.
- DOL decision not to award a yearly extension, but to re-compete the center contract early.

6. Formal Budget Revisions.

It is generally appropriate to accomplish a formal revision to the "2181" budget only when there is a net change in bottom line center operating costs or when a realignment of existing funds is clearly needed to resolve a mal-distribution of resources. However, frequent reshuffling of funds between line items as a means to make reported variances go away is not generally considered a useful or legitimate practice.

For contract centers, "2181" budgets and revisions thereto must be approved by the cognizant regional office. Regional offices should refer to current internal Annual Advanced Procurement Plan (AAPP) administration guidelines to identify circumstances where prior national office clearances are needed for bottom line estimated cost changes.

7. Next-Year Estimates-Contract Centers.

As indicated in section 2 above, “2181" budgets are prepared in sets of 2 - one providing a line-item budget for the current contract year and one for the next contract year. The initial “2181" budgets that are prepared upon contract award are for the first contract year and the second contract year. This pattern is maintained throughout the life cycle of the contract. For example, when the contract enters its second year, the required pair of “2181" budgets will cover the second year of the contract (which will be the “current year”) and the first option third year (which will be the “next year”).

Whenever the current year budget is being revised, it is also necessary: (1) to identify any adjustments that are of an ongoing nature (e.g., those that involve permanently deleting or adding slots), (2) to accurately calculate the impact of such changes on the next contract year, and (3) to revise the “2181" budget for the next year accordingly.

Maintaining an updated "next-year” cost estimate in this manner will provide for a smoother transition from one contract year to another and will help avoid budget related issues from developing between DOL and the contractor. It is strongly recommended that a copy of the current AAPP Estimated Cost Profile be transmitted to each center, so that the centers will be aware of the AAPP-approved budget for the center. This will facilitate the preparation of “next year” budgets. Under normal conditions regional offices are expected to keep center contracts in agreement with the AAPP Estimated Cost Profile.

8. Related Financial Management Systems.

For contract centers, many data elements on the “2181" budget must be reconcilable to data contained in the estimated cost clause of the center operating contract. Likewise, there are data elements on the “2110" cost report that must be reconcilable to information contained on contractor vouchers or, for the small number of contractors who are eligible for advance payments, information contained in the payment management system draw downs. The specific items where agreement must exist are identified in the detailed instructions for those forms that are provided later in this Appendix.

For federal centers, certain data elements on the “2110F” cost report must agree with information contained on the monthly report of agency obligations provided on SF 133. Again, the specific items where agreement must exist are identified in the detailed instructions that appear later.

9. General Requirements and Considerations.

a. Round to whole dollars.

All money amounts reported on the Center Financial Report and Center Operations budget are to be rounded to the closest whole dollars. No cents are reported.

b. Compute Percentages to One Decimal.

Carry all percentage computations to one decimal, e.g., 17.1%, 20.0%.

c. Computer Generated Reports.

Computer generated reports, for both the Center Financial Report and Operations Budget, are the preferred method of preparation. This should effectively eliminate all math errors and greatly reduce the preparation time. It is essential that all reports add down each month. The format and all line item and column designations must replicate the official reporting forms:"2110," "2110F," and "2181." Reports should be reduced to letter size before submission. If it is not possible to prepare computer generated submissions, typed or legible handwritten copies are acceptable. Assure that all photocopy submissions are clear and legible. Within a year of the effective date of this new Appendix 502, DOL will require automated or web-based reporting by contract centers. Hardcopy submittals will be discontinued at that time.

d. Obtaining Forms

If Center Financial Reports and Operations Budget forms are not being prepared by computer, forms in the Job Corps Forms Handbook, located on the Job Corps Community Website, should be copied for submission. Again, within a year of the effective date of this new Appendix 502, DOL will require automated or web-based reporting by contract centers. Hardcopy submittals will be discontinued at that time.

C. COST CATEGORY DEFINITIONS

1. Overall Structure of Categories.

The cost categories that are used on center cost reports and budgets are structured as follows:

Center Operating Expenses

This group includes 29 different line item categories, which are separately displayed on cost reports ("2110" and "2110F") and on line-item budgets ("2181s"). The official forms also require the display of center operating expense totals. In DOL contracts for center operations, the budgetary clauses do not generally display the 29 line item categories of center operating expense but display only center operating expense totals, along with non-add line item displays for sensitive subcategories of expense, such as contractor fee and indirect administrative expense.

Center Capital Expenses

This group consists of the following four cost categories: Construction and Rehab; Capital Equipment; GSA Vehicle Rental; and Vocational Skills Training (VST) Materials. These four categories are separately displayed on cost reports ("2110" and "2110F"); in the estimated cost and funds available clauses of center contracts; and in the program operating plans for federal centers.

Student Transportation Expense

This cost category refers to Job Corps-paid expenses for inter-city transportation of new enrollees and students.

Outreach/Admissions Expense

This cost category applies when the center contract expressly includes funding for the provision of activities for the outreach and admission of new students. When a center contract contains Outreach/Admissions funding, supplementary “2181s” and “2110s” must be prepared

Career Transition Services Expense

This cost category applies when the center contract expressly includes funding for the provision of career transition services to graduates and former enrollees. When a center contract contains Career Transition funding, supplementary “2181s” and “2110s” must be prepared

Other Expense Categories Not Pre-Printed on the Forms

Blank lines are provided in the reporting formats for writing in other categories that might be included in a center operations contract -- such as the travel and logistical support function that is financed in the Potomac JCC contract.

2. Subcontract Expense.

The costs of subcontracts (or contracts at CCCs) for conducting major program components or support functions at a Job Corps center must be distributed into the standard budget line items. This particularly applies to subcontracts where subcontractor staff keep regularly scheduled hours or work at the center, such as subcontracts under which instructors are furnished at the center as well as subcontracts for major support components (e.g., dining hall operations).

For CCCs this requirement clearly applies to the costs of national contracts for providing skilled trades instructors and related expenses at the center via national level training contracts with labor organizations or trade associations.

In some cases, expenses may not be currently detailed on the subcontractor's invoice because the service is being provided at a fixed price (e.g., meals served). In such a case adequate detail can usually be obtained from the subcontractor's proposal. If detail is not provided in the proposal, then this information should be required from the subcontractor. Where service is being provided at an hourly rate (e.g., doctors and dentists), the entire cost would be charged to personnel expense.

To illustrate the type of breakdown needed for expenses budgeted under a "major" subcontract, the costs of a subcontracted vocational training program would be distributed, in appropriate amounts, to:

> Line 03-Voc Training Personnel Costs: To reflect the salaries and benefits paid to the subcontracted instructor(s) who work at the center.
>
> Line 04-Other Voc Training Expense: To reflect the costs of the training materials and supplies that are provided under the subcontract. Subcontractor Fee will be charged here also.
>
> Line 16-Other Admin Expense: If applicable, to reflect any subcontractor administrative expenses (e.g., national or regional office expenses) that are reimbursed under the subcontract. Please note that Line 17-Indirect Administrative Expense is used strictly to report indirect administrative expense costs (or program direction costs for CCC's) incurred by the center operator and not subcontractors.

The requirement to distribute subcontract expenses among the various line items does not generally apply to situations where subcontractor personnel do not perform any duties at the center or where they perform only irregular or intermittent services at the center (e.g., trash collection, pest extermination, construction and rehab projects, and the like). The expenses for "other than major" subcontracts will normally be classified categorized on a single budget line item -- for example, the entire costs of a trash collection subcontract would be assigned to Line 19-Other Facility Maintenance Expense.

3. Personnel Expenses.

This term is used in this Appendix to refer to all salaries, wages, and all associated personnel costs such as payment of earned leave upon termination, employer retirement contributions, social security taxes, life insurance, health insurance, worker's compensation insurance, etc. All direct employees of the center as well as subcontractor employees (or contractor employees at CCC's) who **perform ongoing functions at the center**, which might otherwise be performed by center operator staff, are to be included. However, the cost of subcontractor staff that perform work at the center on a one-time or irregular or intermittent basis should be reported in the appropriate non-personnel expense line.

If an employee works in more than one area such as part time in academics and part time in vocational training, or a secretary is assigned to two departments, the cost must be allocated to the appropriate categories. The basis for the allocation must be documented in a **salary allocation plan** explaining the rationale for the allocation. The allocation plan must be available for review by DOL auditors. If the employee's assignment is changed, the allocation should be changed. All salary allocations should be reviewed annually to assure that the basis for allocation is still valid.

> **Note: All salaries, wages and all associated personnel costs for center employees participating in corporate center reviews of other centers will be**

charged to indirect administrative expense since they are performing corporate functions as required in the contract.

4. Treatment of Money Received

a. Reimbursements

When money is received by a center it is most often a reimbursement of cost. Such reimbursements are recorded as reductions (credits) in the appropriate expense accounts in order to reflect true center operating expenses. Examples follow:

- Food sales to staff and visitors are credited as a reduction to center food costs.
- Reimbursements by GSA for vehicle maintenance and fuel are credited as a reduction to center vehicle operating costs.
- Reimbursements of fuel costs from tenants are credited as a reduction of center fuel costs.
- Reimbursement for Workforce Investment Act (WIA) or other buy-ins are credited as a reduction to center academic and/or vocational training costs.
- Proceeds from the sale of tool kits to students are credited as a reduction to center vocational operating expense, if purchased originally with center operating funds.
- Prompt payment discounts, cash rebates and refunds are credited as a savings to the account to which the product or service was originally charged.

b. Net Income

In some cases, money received by the center cannot be credited as a reduction to a specific expense account. These situations are generally limited to items where: there is little or no initial expense to the center; the expense category cannot be identified; or there is a "for profit" operation. When these situations occur, the money received will be classified as net income within the administrative operating expense account, which will have the effect of reporting a net decrease in the center's administrative costs. Conversely, if negative income is reported as a result of a prior-period correction or expenses exceeding receipts, then the result will be a reported increase in center administrative expenses.

Following are examples of situations where net income might properly be reported:

- Sales of scrap if not identifiable to a vocation, VST or other specific account.
- Vending and video game machines not for student use.
- For profit operations, such as a lithography shop or snack bar for the public. Include both income and expense in the income account. Only net income is reported.

- Lodging. Employee housing net rental income is reported. Income and all expense of maintaining the housing are included in this account. Only net income is reported.
- Sale of tool kits to students when tool kits are not purchased with center operations funds (e.g., tools acquired from GSA excess).

The following are examples of sources of cash receipts which are **not** considered as Income since the receipts should accrue to the Student Welfare Fund. These transactions are not relevant to and should be kept outside the center's Job Corps financial management system.

- Vending machines for student use.
- Pay telephone income, unless a plan is approved by the regional office to treat funds differently.
- Proceeds from a student- related concession.

5. Cost Category Definitions

Following are definitions for the cost categories that are used in the center cost reports ("2110" for contract centers and "2110F" for federal centers) and in the line-item center budgets ("2181"). The categories are discussed in the same order as they appear on the "2110" for contract centers. Also note that the lists of example expense items that are provided for each cost category are not considered exhaustive or all-inclusive. For expense items that are not specifically identified in the lists of examples, contractors may use their own good judgment to determine which cost categories apply; or they may refer the question to the Job Corps national office for guidance.

CONTRACTOR "2110," PAGE 2:

Line 01- Academic Personnel Expense.

Includes the cost of all personnel whose primary duties are in academic programs, including positions such as those listed below:

Managers
Training Program Director*
Academic Manager
Principal Teacher (CCC)

Instructors (Should include all non-vocational classroom instructors)
Reading Instructor
Math Instructor
GED Instructor
Driver Education Instructor
ESL Instructor

Communications Instructor
Wellness/Safety Instructor
Instructor Substitutes

Support Staff
Testing Coordinator
Sec/Clerical assigned to the academic department.

**Where this position exists, and there is an academic and vocational manager, the individual's salary should be charged 50% to academics and 50% to vocational training. If there is no vocational manager, the cost should be distributed as per the previous discussion of Allocation of Split Duties.*

Line 02- Other Academic Expenses.

This category consists of all non-personnel expenses that are immediately related to a center's academic programs, including the types of expense listed below.

Academic Materials and Supplies. Includes the cost of materials and supplies (i.e., books, workbooks, testing materials) used in conducting academic programs for students. This will also include the cost of expendable items for exclusive use in the classrooms such as: drapes, wall hangings, bulletin boards, computer software, films and filmstrips.

Not included are general purpose items such as paper, pencils, paper clips, rubber bands, erasers, etc., which are reported on Line 16-Other Administration Expense.

Academic Services. Includes the cost of contractual services for student academics, including repair and maintenance of academic equipment.

Academic Tuition. Includes the cost of tuition for off center academic instruction. If the tuition is prepaid, please see later discussion of accrual and vouchering of pre-paid items.

Academic Rentals. Includes the cost of facilities and equipment (but not motor vehicles) rented for student academic programs. Rental of Driver's Education vehicles will be charged here.

Other. Other expenses that should be assigned to the academic operating expense category but which do not match any of the above examples.

Line 03-Vocational Personnel Expense.

Includes the cost of all personnel whose primary duties are in the vocational training programs including positions such as those listed below:

Managers
Training Program Director*
Vocational Program Manager

Instructors
Vocational Instructors
Vocational Instructor Substitutes
Career Exploration Instructor

Support Staff
VST Coordinator
Work-based Learning Coordinator
ACT Coordinator
Vocational Testing Coordinator
Sec/Clerical assigned to vocational department.

*Where this position exists, and there is an Academic and Vocational Manager, the individual's salary should be charged 50% to academics and 50% to vocational training. If there is no vocational Manager, the cost should be distributed as discussed on page 13, b. Allocation of Split Duties.

Line 04- Other Vocational Expenses.

This category consists of all non-personnel expenses that are immediately related to a center's vocational training programs, including the types of expense listed below.

Vocational Materials and Supplies. Includes the cost of all materials and supplies (i.e., books, workbooks, testing materials) used in conducting vocational programs for students. This will also include the cost of expendable items for exclusive use in the classrooms such as: drapes, wall hangings, bulletin boards, computer software, films and filmstrips.

Not included are general purpose items such as paper, pencils, paper clips, rubber bands, erasers, etc., which are reported on Line 16-Other Administration Expense.

Vocational Services. Includes the cost of contractual services acquired for student vocational training including repair and maintenance of vocational equipment.

Vocational Tuition. Includes the cost of tuition for off center vocational instruction. If the tuition is prepaid, please see later discussion of accrual and vouchering of pre-paid items.

Vocational Rentals. Includes the cost of facilities and equipment (but not motor vehicles) rented for vocational training under the appropriate category.

Other. Includes other expenses that should be assigned to the vocational training operating expense category but which do not match any of the above examples.

Line 05- Social Skills Personnel Expense.

Includes the cost of all personnel whose primary duties are in the social skills training programs, including positions such as those listed below.

Managers
Director of Residential Living
Director of Counseling
Residential Living Managers
Recreation Manager

Counselors
Counselor (includes AWOL retrieval)
Counselor Aide
Center Standards Officer

Residential Advisors
Residential Advisors and Aides
Group Leaders and Aides

Coordinators
Career Preparation Leader
Diversity Coordinator
Student Government/Leader/SWF Advisor
Student Safety Advisor/Coordinator*

Recreation Staff
Recreation Specialist/Coordinator
Arts/Crafts Instructor/Coordinator

Support Staff
Sec/clerical assigned to above areas.

**Refers to activities for instilling "safety consciousness/awareness" in students. Does not relate to security personnel costs, which are assigned instead to Line 20-Security Personnel Expense.*

Line 06- Other Social Skills Expense.

This category consists of all non-personnel expenses that are immediately related to a center's social skills training, including the types of expense listed below.

Social Skills Materials and Supplies. Includes the cost of supplies and materials used in the counseling program, the dormitory supervision program and any other social skills development program. Also includes the cost of student incentive programs, including any that focus on academic or vocational achievement.

Not included are general purpose items such as paper, pencils, paper clips, rubber bands, erasers, etc., which are reported on Line 16-Other Administration Expense. Also not included are driver education costs that are reported as an academic expense (Line 01 or 02).

Social Skills Services. Includes the cost of contractual services acquired to implement social skills development programs and activities.

Social Skills Rentals. Includes the cost of facilities and equipment rented to carry out social skills development activities. This will not include motor vehicle rental or GSA charges.

Morale-Recreation-Welfare Materials and Supplies. Includes the cost of supplies and materials used in the morale-recreation-welfare program.

Morale-Recreation-Welfare Services. Includes the cost of contractual services acquired to implement the morale-recreation-welfare program. Includes repair and maintenance of recreational equipment.

Morale-Recreation-Welfare Rentals. Includes the cost of facilities and equipment rented to carry out morale-recreation-welfare activities. This will not include motor vehicle rental or GSA charges.

Other. Includes other expenses that should be assigned to the social skills training operating expense category but which do not match any of the above examples.

Line 07- Food.

Includes the cost of food purchased for the center's dining hall and the cost of purchased meals that are served to students. This category includes:

Dining Hall Food. Includes the cost of food issued for the dining halls and related direct freight charges. This account must include the cost of food provided or purchased in connection with subcontracted food service. Subcontracted labor and other non-food costs incurred are not charged to this account, but will be charged to Line 09-Support Services Personnel Expense, Line 10-Other Support Service Expense, or other appropriate line items as defined in Section C.3. Receipts from sale of meals to staff and visitors are credited as a reduction to expense.

Purchased Meals. Includes the cost of meals purchased for students while engaged in off-site activities such as academic, vocational, and recreational trips.

Line 08- Clothing.

Includes the cost of clothing and cash clothing allowances furnished to students, including:

Issue Clothing. Issue of personal clothing and ditty bags.

Cash Clothing Allowance. Cost of cash clothing allowances as discussed in PRH Section 6.5, R2, a-b.

Vocational Clothing. Cost of student special clothing such as work clothes, vocational training uniforms and protective clothing as discussed in PRH Section 6.5, R1, a-c.

Recreation Clothing. Cost of student recreational clothing.

Line 09- Support Services Personnel Expense.

Includes the cost of all personnel, whose primary duties are in the area of support services, including positions such as those listed below.

Managers
Dining Hall Manager
Laundry Manager
Vehicle Fleet Manager

Food Service
Cooks
Dining Hall Workers

Laundry Service
Laundry Operator

Drivers
All Drivers employed at center.

Incidental Outreach, Admissions and Career Transition Services Staff.
Any part-time or intermittent OA/CTS staff when OA or CTS not included as a specific, separate line item in the center estimated cost clause.

Other Support Staff
Sec/Clerical assigned to above areas

Line 10- Other Support Services Expense.

Includes the non-personnel/non-food operating expenses associated with the provision of room and board to Job Corps students, including the types of expense listed below.

Dormitory Linens and Supplies. Includes the costs of initial issue and replacement of all expendable items purchased for use in the dormitories such as:

-sheets, blankets and bedspreads
-pillows and pillow cases
-mattresses and mattress covers
-dorm curtains and drapes
-laundry supplies for students
-bulletin boards
-throw rugs
-pictures and wall hangings
-irons and ironing boards

Not included are cleaning supplies for dormitories. This expense will be charged to line 19- Other Facilities Maintenance Expense- Materials and Supplies.

Commercial Laundry and Linen Service. Includes the cost of linens and uniforms supplied by a subcontractor as well as the cost of laundry service for center-owned linens and uniforms, including those used in the medical facility.

Kitchen and Dining Hall Supplies. Includes the cost of non-food supplies and materials required in the operation of the kitchen and dining halls, including chemical and cleaning agents used for maintaining the kitchen, the initial and replacement cost of linens, mess uniforms, dishes, and utensils.

Subcontracted Food Service. Includes the cost of all services other than the cost of food and personnel in a subcontracted operation.

Note: The cost of food in a subcontracted operation will be reported on Line 07-Food. The cost of personnel and fringe benefits in a subcontracted operation will be reported on Line 09-Support Services Personnel Expense.

Kitchen and Dining Hall Non-Food Services. Includes the cost of services rendered in connection with the operation of the kitchen and dining hall such as equipment maintenance, etc.

On-Center Laundry Supplies. Includes the cost of supplies and consumables needed to operate any on-center laundry facilities. Does not include laundry supplies furnished directly to students.

On-Center Laundry Facility Services. Includes the cost of contractual services acquired for equipment maintenance and repairs.

Student Local Transportation. Includes the cost of local public transportation such as bus passes or tokens for students and for children attending child care between home and the center, and expense to and from academic and vocational training sites.

Student Lodging Expense. Includes the cost of student lodging expense while on center sponsored trips, (i.e., academic, vocational, recreation) and the costs of temporary local lodging due to center dormitory problems that require temporary off-center housing. Staff lodging expense will be charged to Line 27-Staff Travel and Training.

Incidental Outreach, Admissions and Career Transition Services Expense. Includes the cost of any incidental OA/CTS expense not included as a separate line item in the center estimated cost clause and considered part of the center operating expense.

Other. Includes other expenses that should be assigned to the support service operating expense category but which do not match any of the above examples.

Line 11- Medical/Dental Personnel Expense.

Includes the cost of personnel whose primary duties are in the area of health program services, including positions such as those listed below.

Managers
Medical Service Director
Health Services Administrator

Medical Professionals
Doctors of Medicine
Doctors of Osteopathy
Optometrist

Mental Health Professionals
Psychiatrist
Psychologist
Social Worker
Substance Abuse Counselor

Dental Professionals
Dentist
Oral Surgeon
Orthodontist

Endodontist
Periodontists

Allied Medical Workers
Physician's Assistant
Nurse Practitioner
Medical Assistant
Registered Nurse
Licensed Practical Nurse
Licensed Vocational Nurse
Nurse Assistant
Laboratory Technician
Reproductive Health Coordinator*
Trainee Employee Assistance Program (TEAP) Coordinator*

**If the Reproductive Health or TEAP coordinator also serves as a counselor, the cost should be prorated between Social Skills Training and Medical salaries.*

Allied Dental Workers

Dental Hygienist
Dental Assistant
Dental Technician

Support Staff
Sec/Clerical assigned to above areas

Line 12- Other Medical/Dental Expense.

This category consists of all non-personnel expenses that are immediately related to a center's health services programs, including the types of expense listed below.

Medical and Mental Health Fees. Includes fees charged by non-salaried health providers including physicians (doctors of medicine, doctors of osteopathy), psychiatrists, psychologists, optometrists and social workers, excluding dentists, for "as needed" health services performed regardless where the services were rendered. This includes x-rays and other laboratory services included in the providers' bills. This also includes charges based on a "by procedure rate."

Note: This will not include charges from subcontracted providers who bill at an hourly rate. The entire amount will be charged to Line 11-Medical/Dental Personnel Expense.

Medical Support. Includes cost of medical services rendered by other than the providers listed above, such as:

Hospitals.
Medical laboratory and x-ray services when billed separately.
Ambulance and mortuary costs.
Environmental health inspections and services.

Dentist Fees. Includes fees charged by nonsalaried dentists (including oral surgeons, orthodontists, endodontists and periodontists) for "as needed" dental services performed regardless where the services were rendered. This includes x-rays and other laboratory services provided by a dentist and included in the bill.

Note: This will not include charges from subcontracted providers, which will instead be charged to Line 11-Medical/Dental Personnel Expense.

Dental Support. Includes cost of dental services rendered by other than the providers listed above, such as:

Clinics or other institutions.
Dental laboratory and x-ray services when billed by separately.

Supplies and Pharmaceuticals. Includes the cost of all medical and dental supplies and pharmaceuticals (e.g., bandages, dental material, disposable syringes, medicines, drugs, eyeglasses, etc.) regardless of source.

Other. Includes other expenses that should be assigned to the medical/dental operating expense category but which do not match any of the above examples.

Line 13-Child Care Personnel Expense.

Includes the cost of personnel whose primary duties are in the area of child care services, including positions such as those listed below:

Note: It is usually the case that childcare workers at Job Corps centers are employed by local agencies at no cost to Job Corps.

Managers
Childcare Director or Manager

Childcare Workers
Childcare Teacher
Childcare Specialist
Childcare Aide/Teacher Aide

Support Staff
Sec/Clerical assigned to above areas

Line 14- Other Childcare Expense.

This category consists of all non-personnel expenses that are immediately related to childcare services that are available for students who have children, including the types of expense listed below.

These costs will usually be reimbursed to the center. These reimbursements should be credited to Line 14.

Child Care Materials and Supplies. The cost of all supplies, materials, toys, games, diapers, laundry supplies, etc., purchased for the childcare operation.

Not included are general purpose items such as paper, pencils, paper clips, rubber bands, erasers, etc., which are reported on Line 16-Other Administration Expense.

Pre-Packaged/Catered Food. Includes cost of pre-packaged baby food, snacks and other meals purchased specifically for the children. Does not include meals prepared by the center dining hall.

Childcare Services. Includes the cost of contractual services acquired for the childcare program, including repair and maintenance of child care furniture and equipment.

Childcare Rentals. Includes the cost of facilities and equipment (but not motor vehicles) rented for the childcare program.

Other. Includes other expenses that should be assigned to the childcare operating expense category but which do not match any of the above examples.

Line 15- Administration Personnel Expense.

Includes the cost of personnel, whose primary duties are in the area of overall center management and administrative services and support, including positions such as those listed below.

Executive Leadership
Center Director
Deputy Director
Center Director Trainee

Administration Operations
Administration Manager or Director
Administrative Assistant
Personnel Manager/Specialist
EEO Coordinator

Business/Community Liaison
Finance Manager/Staff
Procurement Manager/Staff
Student Accountability Officer
Student Records and Payroll Staff
Transportation Clerk
Legal Services Clerk
Scheduling Clerk

ADP Specialist/Programmer

<u>Supply Operations</u>
Property Manager
Property Specialist
Warehouse Staff
Supply Clerk
Clothing Clerk

<u>Support Staff</u>
Sec/Clerical assigned to assist above personnel
Sec/Clerical not classifiable in other categories
PBX Operator

<u>Line 16- Other Administration Expense</u>.

This category consists of all non-personnel expenses that are immediately related to administrative support functions at the center, including the types of expense listed below.

<u>Office Materials and Supplies</u>. Includes the cost of general office supplies used throughout the center such as: paper, pencils, paper clips, rubber bands, and floppy disks.

Note: Charge special items used in the academic and vocational programs such as drafting supplies, sketching pads, special forms, etc., to those activities in the appropriate accounts reported on Line 02-Other Academic Expense or Line 04-Other Voc Training Expense.

<u>Office Services</u>. Includes the cost of contractual services required for center administration, such as the cost of subcontracted duplicating and printing services.

<u>Office Equipment Rentals</u>. Includes the rental cost of photocopying and data processing equipment

Office Equipment Maintenance. Includes cost for maintenance and repair of office equipment. Costs incurred under lease purchase agreements are considered rental costs.

Legal Services. Includes the cost of legal services acquired for the center. The cost of legal services on behalf of students will be paid by the Job Corps regional offices if public defenders are not available, when proper documentation is supplied and approved by the Regional Director. Legal expenses relating to personnel matters or actions brought by employees against the contractor are indirect administrative expenses unless the contractor's approved cost accounting standards provide for classifying these expenses as a direct cost to contracts. The charging of these costs to a Federal contract is still subject to the allowability standards set forth in the applicable cost standards.

Accounting Services. Includes the cost of subcontracted accounting services acquired for the center and corporate charges for service or equipment **where corporate accounting, practices, and the indirect cost agreement, require an allocation to direct cost and the allocation of costs is in agreement with the business management proposal submitted for operation of the center.** Since there is no specific contract requirement, center audits performed by Public Accounting firms are not an allowable cost. A corporate audit which as part of its "tests" audits a portion of a specific contract is considered to be an indirect administrative expense.

Consultant Costs. Includes the fees charged by outside consultants and their related travel and per diem expenses. A consultant is one who analyzes, gives advice or helps determine how functions should be performed. Written approval, from the Contracting Officer, must be obtained before a consultant is hired, regardless of contract type (hourly or fixed price). The title "consultant" does not necessarily indicate that the cost of retaining such an expert should be reported on this line. Mental health consultants are part of the medical function and are not chargeable here, but should be charged to either Line 11-Medical/Dental Personnel or Line 12-Other Medical/Dental Expense. Trainers are often called "consultants," but they are the performers of the function and are rightfully chargeable to Line 27-Staff Travel and Training.

Net Income. This includes monetary receipts that cannot be credited as reductions to other budget line items. See discussion that appears earlier in this Appendix.

Subcontract Overhead/G&A Expense. This includes subcontractor overhead and G&A expense as discussed in Section C.3 above.

Other/Miscellaneous Administrative Expense. Includes the cost of miscellaneous supplies and services required in the operation of the center such as the following:

Consumable supplies such as paper towels, toilet tissue, soap, etc.

Packing, handling, and shipping cost to transfer excess property to or from a holding facility and shipment of separated student belongings.

Community relations expense.

Miscellaneous equipment repairs not chargeable elsewhere.

Any miscellaneous administrative expenses outside the definitions of office supplies and services.

Gross receipts tax payments. See following discussion on Sales Tax assessments.

Penalties and interest charges resulting from Sales Tax assessments. See following discussion on Sales Tax assessments.

Expenses not to be included are:

Incoming freight charges should not be lumped indiscriminately into the administrative expense category. Where possible these charges should be prorated to the individual items received (inventory or capital). When it is not practical to charge this cost to the individual items covered by the freight charges, because of the late receipt of the invoice or the large number of items covered, the cost should be prorated and directly charged to the appropriate expense categories.

Sales tax assessments should not be lumped indiscriminately into the administrative expense category. When the center is forced to pay sales tax assessments, the cost should be prorated to the various affected categories based on the total cost of purchases for the assessment period. Since taxes will be paid "under protest," records must be maintained detailing all payments. Penalties and interest charges will be charged to Miscellaneous Administrative Expense.

Phase-out costs should not be lumped indiscriminately into the administrative expense category, but should be distributed to the appropriate cost categories. Severance pay and accrued vacation pay are to be charged to the categories of personnel costs where the affected individuals' salaries were charged.

Line 17- Indirect Administrative Expense.

For contract centers, this line on the "2110," is labeled "Indirect Administrative Expense" and includes the cost of the contractor's general and administrative expenses at the rate specified in the center contract or the current approved rate, whichever is lower. Indirect

Administrative Expenses related to Outreach/Admissions or Career Transition Services, if separate items in the contract, will be charged respectively to those cost categories as appropriate. When the contract contains an indirect cost ceiling clause, the total amount charged may not exceed the ceiling rate. On the “2110,” indirect administrative expense should be accrued for amounts earned on other accruals (unvouchered accounts payable) and be reported as unvouchered reimbursable expense on page 4.

For federal centers, “2110F,” will be titled Program Direction and includes the prorated share of **all** program direction cost based on the center capacity.

Line 18- Facilities Maintenance Personnel Expense.

Includes the cost of personnel assigned to center maintenance functions, including positions such as those listed below.

Managers
Maintenance Manager/Supervisor

Maintenance Workers
Maintenance Worker
Maintenance Mechanic
Maintenance Helper
Groundskeeper
Janitorial/Cleaning Staff

Support Staff
Sec/Clerical assigned to the maintenance section

Line 19- Other Facilities Maintenance Expense.

This category consists of all non-personnel expenses that are immediately related to maintenance of center facilities, including the types of expense listed below.

Materials and Supplies. Includes the cost of materials and supplies required for routine maintenance and repair of center physical facilities including sidewalks, fences, grounds, roads, and any equipment affixed to a structure as an integral component. Also includes the cost of general cleaning and janitorial supplies and any special work clothes or items of personal safety equipment (e.g., goggles) purchased for use by maintenance staff.

Contracted Services. Includes the cost of contracted services required for routine maintenance of center facilities (e.g., painting) and systems (e.g., servicing of fire alarm systems and fire extinguishers), but not including any contracts that are classifiable as construction and rehab projects. Also includes contracts for trash pick-up and pest control.

Equipment Rental. Includes the cost of equipment rented, or being acquired on a lease purchase agreement, in connection with maintenance and repair of center facilities, excluding motor vehicles.

Equipment Operation, Maintenance and Repair. Includes the costs of operating, maintaining, and repairing motorized and mobile equipment (e.g., power mowers, tractors, portable generators, etc.), excluding motor vehicles. Include equipment owned by other agencies leased on a mileage or use basis.

Note: Report operation, maintenance, and repair cost of other motorized equipment chargeable to work projects on Line 35-Vocational Skills Training.

Other. Includes other expenses that should be assigned to the maintenance operating expense category but which do not match any of the above examples.

Line 20- Security Personnel Expense.

Includes the cost of all personnel assigned to the security function, including positions such as those listed below.

Manager
Security Manager
Security Supervisor

Security Staff
Security Officers
Guards

Support Staff
Sec/Clerical assigned to security section

Line 21- Other Security Expense.

This category consists of all non-personnel expenses that are immediately related to the provision of a guard force or security force at the center, including the types of expense listed below.

Supplies and services. The cost of supplies and services required for the performance of this function, such as the center-furnished uniforms and the laundering of these items.

Subcontracted security services. The cost of all subcontracted security costs other than those classifiable as personnel expense. An example would be augmentation of normal security forces in connection with a special event or emergency.

Equipment Rental. The cost of equipment rented, or being acquired on a lease purchase agreement, in connection with the security function.

Other. Includes other expenses that should be assigned to the security operating expense category but which do not match any of the above examples.

Line 22-Communications.

Includes cost for communications services, including the types of expense listed below.

Local Telephone Service. Includes the cost of local telephone service -- basic monthly service, equipment lease costs, any message unit charges, access charges and taxes.

Cell Phones and Pagers. Includes the cost of cell phone and pager service.

Long Distance Calls. The cost of long distance calls at contract centers, placed through the federal telephone system (FTS) will **not be charged to the center**, but will be charged to DOL. The long distance costs that should be reported on this line will be for incoming collect long distance calls and the costs of long distance calls that, for any reason, cannot be placed through FTS.

Telephone Service Charges and Communications Equipment Rental Charges. Includes the cost of service for telephone equipment changes, repairs and the installation of additional telephones and related equipment and the cost of FAX and other communications equipment rental and maintenance.

In-Center Communications System. Includes the cost of operating and maintaining radio, closed circuit television, and other in-center communication systems.

Postage. The cost of postage or expedited services such as Federal Express and postage meter rental and maintenance.

Other Communications Costs. Any communications costs that do not match any of the above examples.

Line 23- Utilities and Fuel.

Includes cost utilities and fuel consumed by the center, such as the types of expense listed below.

Natural Gas
Electricity
Coal
Heating oil
Propane

Water
Sewage
Other (as determined by the center)

Note 1: Supplies of heating oil and propane should not be expensed as purchased, but maintained as inventory.

Note 2: Fuel for vehicles is not reported here, but on Line 26-Motor Vehicle Operating Expense.

Line 24- Facility Lease Expense.

Includes costs for leasing center facilities where the center operator contractor is the lessee or where the government is the lessee, but funds have been placed on the center operating contract and payment is made by the contractor. Also record in this account any separate property taxes and insurance premiums, payment of which is made to the lessor, by the terms of the facility lease.

Note: Equipment lease costs are not to be recorded in this account.

Line 25- Insurance.

Includes cost of authorized or required liability insurance that is carried by the center operator, including:

Automobile Insurance (liability and property damage)
Employee Liability Insurance
Other Required Insurance

Note: On the "2110" cost report, if insurance is prepaid, the entire amount is vouchered, but the amount for future months is not expensed since the cost applies to a future period. Expense is reduced by the amount of prepaid insurance and this amount is reflected on the "Pre-Paids" line in Section G on page 4. In each succeeding month, the portion of prepaid insurance applicable to the period is expensed and the entry on page 4, Section G, is reduced by a like amount. Conversely, if insurance is billed at a later date (post-paid), the cost for the unbilled months must be accrued.

Line 26- Motor Vehicles Operating Expense.

Includes:

GSA Mileage as shown on the GSA Detailed Billing Register.

Commercial Vehicle Rental.

Operation, Maintenance and Repair of Center Owned Vehicles

The following types of vehicle rentals are not reported here, but elsewhere as indicated:

Operation, maintenance and repair cost of construction equipment for VST projects. These costs will be charged to Line 35 VST.

Rental of vehicles of staff while on travel assignments is charged to Line 27-Staff Travel and Training.

GSA monthly charges and charges for damage to vehicles will be reported on page 3, GSA Vehicles Rental.

At federal centers, fixed ownership rate charges are also reported on page 3, GSA Vehicles Rental.

Commercial rentals of driver education vehicles are charged to Line 02-Other Academic Expense.

Line 27- Staff Travel and Training.

Includes the cost of staff travel, per diem and miscellaneous expenses in connection with work assignments that involve travel away from the center and the costs of providing technical or professional training to center staff. Please note that Job Corps center operating contracts normally contain clauses that require contractor travel costs to be within the parameters and limits of Federal Travel Regulations. The types of expenses to be included are listed below.

Training Related Travel. Includes center staff transportation, per diem cost and miscellaneous expenses for training purposes. This account is used whether training is provided by the center, the center operator, the DOL, regional office, or the DOL national office. Cost includes travel in privately owned vehicles, commercial transportation, and leased vehicles, and meal, lodging and incidental expenses. If training or technical assistance is provided by center staff to another center, all travel expenses will be charged to the center receiving the training or assistance and expensed to that center's staff travel and training account unless the contractor's proposal or Indirect Cost agreement provided for the cost to be charged to the contractor's indirect cost pool.

Non-Training Related Travel. Includes the cost of center staff for transportation, per diem and miscellaneous expenses for work assignments other than those related to staff training.

Note: All travel expense incurred by center staff for participation in corporate center reviews will be charged to indirect administrative expense since they are performing corporate functions as required in the contract. Costs incurred by center staff for providing technical assistance to other centers will be charged as discussed above.

Change of Station Costs. Includes relocation costs associated with the transfer of personnel to the center, including movement of household goods, house-hunting expenses, real estate fees, transportation of employee and family, allowance for temporary quarters (per diem) and other incidental expenses associated with a change of duty station.

Staff Training and Tuition. Includes the cost of tuition and fees for staff training that the center has determined is beneficial for the center and is job-related. Reimbursement to staff under an employer education policy will be charged as an employee benefit to the appropriate category of personnel expense. Also includes the cost of materials and services such as trainers, rental of facilities and equipment, supplies, printing and duplicating, and contractual support.

Line 28- Contractor's Fee.

For contract centers only, includes cost of fees earned per terms of contract for center operations. Fee earned for Outreach/Admissions or Career Transition Services, separately stated in the contract, will be reported as OA or CTS expense, as appropriate. Included in this category are:

Base Fee
Incentive Fee
Fixed Fee
Award Fee
Other Fee (if needed)

If any of the below guidance on the treatment of fee is in conflict with the particular terms of a center contract, the contractual terms shall prevail. The below guidance is intended to describe the usual vouchering and reporting practices for the two types of fees now in prevalent use: 1) fixed fee (which is planned to be totally phased out by the end of 2004); and 2) base fee + incentive fee.

Fixed Fee. The cost of a contractor's fixed fee will, for each contract year, be an equal monthly proration of the Fixed Fee amount stated or reflected in the contract for that contract year. If there are no contractual terms to the contrary, when the contract is in the 2-year base period, the fixed fee amount for both the first year and the second year shall be computed in a way that yields the same monthly amount throughout the entire 2-year base period.

Base + Incentive Fee. The cost of a contractor's Base Fee will, for each contract year, be an equal monthly proration of the Base Fee stated or reflected in the contract for that contract year (same as for fixed fee). The cost of a contractor's Incentive Fee is determined as follows:

- Cost prior to final determination of amount earned. The exact amount of incentive fee that is earned for performance achievements during a contract year cannot be determined until 2 or 3 or even 4 months after completion of the contract year. In order to mitigate cash flow hardships that would otherwise result from such a long lag-time, contractors are generally permitted to voucher provisionally for incentive fee during the performance of a contract year. The provisional monthly costs and billings of Incentive Fee prior to determination of final amount earned will therefore be an equal proration of the contractually stipulated incentive fee amount **for average performance**.

- Cost adjustment/reconciliation upon final determination of amount earned. When the contractor is notified as to the exact amount of incentive fee that has been earned for performance during a recently completed contract year, the notification will specify by what amount the earned incentive fee is above or below the amount of the provisional payments that were made to the contractor. The difference between provisional incentive fee payments and final amount earned will be treated as an adjustment to cost and billings in the succeeding contract year and reflected appropriately as such on the next available cost report and invoice that is submitted by the contractor. However, if performance of the contract has been fully completed, the adjustment to cost and billings will be reported and treated as post-termination activity.

Following is an example of expensing Base Fee, Provisional Incentive Fee, and Final Post-Contract Year Incentive Fee adjustment. In this example, the contract has been newly awarded with the standard base period of 24 months.

Base Fee………………….. $450,000
Provisional Incentive Fee …$150,000
Total………………………… $600,000

In the first contract year, the monthly cost equals $600,000 divided by 24 months, yielding a monthly expense of $25,000. Total fee costs and billings in year 1 are $300,000, consisting of $225,000 base fee and $75,000 provisional incentive fee.

In the first two months of the second contract year, the monthly fee costs and billings continue at $25,000. However, in third month, the contractor is officially notified, via contract modification, that its final incentive fee earnings based on achievements in the first contract year are $85,000. The notification specifies that the final amount earned is $10,000 above its provisional billings and that the contractor may include the $10,000 fee increase on its very next voucher and should reflect the $10,000 of additional fee expense on its very next cost report. This adjustment process also includes a revised 2181 center operating budget for the current (second) contract year. The fee expense reported in the third month of the second contract year would therefore be $35,000, or $10,000 above the normal level of $25,000. Thereafter, monthly fee expense and billings would return to the normal level of $25,000 for the duration of the second contract year.

Fee Hold-Back. The Contracting Officer may determine that a fee holdback is needed to protect the public interest and will accordingly modify the contract to state the amount of fee holdback, not to exceed 15% or $100,000 whichever is less. If the contract contains a fee holdback provision, the total amount of fee earned will be recorded as expenses, but vouchering will be subject to the holdback provision. Fee will be vouchered for the maximum allowable amount (total fee less fee holdback). The holdback will be reported as Center Operations Unvouchered Reimbursable Expenses on page 4, Line E.1, Column (b), and will not be vouchered until the final voucher at contract closeout.

Line 29- FECA.

For federal centers only, is used to report cost of Federal Employee's Compensation Act (FECA) chargebacks payable by the conservation agency to DOL's Employment and Standards Administration to reimburse benefits paid to current or former employees on the basis of injuries sustained while employed at the center.

Line 30- Net Center Operating Expense.

On the "2110" and "2110F" cost reports, Line 30 is used to display the total of center operating costs, Lines 01 through 29 above.

Note to Regions: Center operating expense equates to cost code A1-Direct Center Ops in the internal DOL AAPP/FOP financial management system.

CONTRACTOR "2110," PAGE 3:

Line 1- Net Center Operating Expense.

This line carries forward the net center operating expense on Page 2, Line 30.

Line 2- Construction/Facility Rehab.

Includes expenses for constructing or making long-lasting physical improvements to structures, utilities (e.g., heating and plumbing), roads and grounds, as well as the purchase and installation of major pieces of equipment, during a rehabilitation or construction project, that are permanently attached to structures such as air conditioners, walk in freezers and refrigerators, ovens and stoves, cafeteria dishwashers and wall to wall carpeting. Also included within the meaning of this term are the costs of architectural and engineering services (design) that are required for such construction or improvements and have been approved as part of the project. Purchase or lease of equipment and the cost of special motor vehicles required for completion of projects will also be charged here.

At contract centers, construction and rehabilitation work is to be performed only on the basis of identified projects for which specific construction/rehab funding has been approved for the contract. At federal centers construction and rehabilitation work is to be performed only on the basis of identified projects for which specific construction/rehab funding has been approved for the center's program operating plan. Separate records should be maintained on the individual construction/rehab projects that have been approved in the center contract or CCC program operating plan.

In an emergency situation that requires immediate attention that does not permit consultation with the national office, the Contracting Officer may provide the contractor with authorization to proceed with the necessary work. The contractor should be informed that the needed CRA funding will be provided and that any incurred expense is to be charged to the Construction/Facility Rehab expense category on the Job Corps Contract Center Financial Report (ETA "2110"), and not charge any of the costs to their center operating expense accounts.

The construction and rehabilitation account **does not** refer to:

Vocational Skills Training Activities, funded as VST projects, wherein Job Corps students receive hands-on training by participating in construction projects or other projects that result in physical improvements to center facilities.

Equipment other than the major items of the type described above.

Facility leases.

Architectural and engineering management support services, including procurement support, facilities surveys, site surveys or facility utilization studies when performed under a national office contract.

Management support services for the acquisition or leasing of facilities.

Note to Regions: This expense category equates to B1-Cnst/Rehab in the internal DOL AAPP/FOP financial management system.

Line 3- Equipment and Furniture.

Includes costs for purchase of non-expendable personal property having a life expectancy of over 1 year, including the following types of items:

- Furniture (regardless of cost).
- Other durable property having a unit cost of $50 or more.
- Tool "Kit" and sets regardless of cost.
- Tools and equipment carrying a manufacturer's serial number.

Please note that the above definition relates to the categorization of expenses only and does not necessarily apply to guidelines published elsewhere pertaining to contractor accountability for equipment.

Note to Regions: This expense category equates to cost code B2-Eqpt in the internal DOL AAPP/FOP financial management system.

Line 4- GSA Vehicles Rental.

Includes GSA monthly/daily charges and charges for damage to vehicles. At federal centers, also includes fixed ownership rate charges for vehicles used by the center. This category does **not include** GSA mileage charges, which instead should be assigned to center operating expense, line 26, vehicle operating expense.

Note to Regions: This expense category equates to B3-GSA Vehicle Rental in the internal DOL AAPP/FOP financial management system.

Line 5- VST Materials.

Includes the costs of building materials, consumable supplies and allowable construction and equipment installation contracts in connection with work training projects performed by Job Corps students that result in improvements to center facilities or public property. Records should be maintained separately for each identifiable VST project. Only projects on the approved VST plan may be performed with VST funds.

Note to Regions: This expense category equates to B4-VST Materials in the internal DOL AAPP/FOP financial management system.

Line 6- Student Transportation/Meal Allowances.

Includes the costs of government-furnished inter-city travel (including prescribed meal allowances), such as travel associated with new enrollee arrival, government paid leaves, winter and summer breaks, transfers to other centers, travel home upon separation, and so forth. This line item does not refer to the costs of local student travel (which are considered to be center operating expense).

Note to Regions: This expense category equates to D-Transportation in the internal DOL AAPP/FOP financial management system.

Line 7- Outreach/Admissions (O/A).

Includes costs incurred for outreach to and admission of prospective new students Expenses should be charged to this cost category only if specifically funded in the center contract or the CCC program operating plan. If a center contract includes OA funding, special “2181s” and “2110s” must be prepared in accordance with Appendix 503.

Note to Regions: This expense category equates to C1-Outreach, Admissions in the internal DOL AAPP/FOP financial management system.

Line 8- Career Transition Services (CTS).

Includes costs incurred for providing post-separation career transition services to graduates and former enrollees Expenses should be charged to this cost category only if specifically funded in the center contract or the CCC program operating plan. If a center contract includes CTS funding, special “2181s” and “2110s” must be prepared in accordance with Appendix 503.

Note to Regions: This expense category equates to C2-Career Transition Services in the internal DOL AAPP/FOP financial management system.

Lines 9, 10- Non-Standard Expense Categories.

On page 3 and 4 of the “2110,” two lines are left blank in order for center operators to write in any other additional categories of expense. Expenses should be charged to a "write-in" category only if specifically funded in the center contract or the program operating plan. One example of a "write-in" category is the travel/logistical support function at the Potomac Job Corps center.

Please note that most pilot projects conducted at Job Corps centers are not reported in a "write-in" category. This is because the pilot efforts normally involve variations on or augmentations of normal service delivery programs -- e.g., implementing newly developed academic curricula in order to test their effectiveness. The types of activities funded in Job Corps pilot efforts usually fit within the scope and purpose of established center operations cost categories. Therefore, expenditures for Job Corps pilot efforts must normally be budgeted and reported appropriately within the structure of pre-printed cost categories.

Also note that neither “phase-in” nor “phase-out” costs should be reported as write-ins on lines 9 or 10. These types of expenditures should also be budgeted and reported appropriately within the structure of pre-printed cost categories

D. JOB CORPS CENTER FINANCIAL REPORT ETA”2110" CONTRACT CENTERS

1. Purpose.

The Job Corps Center Financial Report, “2110,” is used by operators of contract centers to report accrued expenses and other pertinent data necessary to analyze cost trends and cost effectiveness in center operations, with a sharp focus on current contract year expenses.

2. Originators.

These reports are prepared and submitted by organizations that have a contract to operate a Job Corps center. Where there is more than one contractor at a particular Job Corps center, each with specific center responsibilities and a separate contract with DOL, each contractor will complete this report for their area(s) of responsibility.

Also, a separate set of reports may be required for major program components falling under one contract (e.g., satellite center versus main center) if requested by the DOL-Job Corps Regional or National Office.

3. Time Frames.

The reports will display line item data on costs for the:

Current month.

Cumulative costs incurred to date in the current contract year (year 1, year 2, year 3, year 4, year 5, whichever is in effect at the time).

Cumulative costs incurred to date since the start of the contract[1].

The “2110" reports must include data for a full calendar month. However, if a contract begins on a date other than the first of the month, the first report will report costs for the period from the contract beginning through the end of the first calendar month.

If a contract year ends on a day other than the last of the month, it will be necessary to submit a “2110" report for the portion of the month which ends on the final day of the contract year as well as a second “2110" report for the portion of the month that falls within the next contract year. For example:

- The contract year begins March 15, 2005 and ends March 14, 2006. In March 2005 the only costs to report are for the period March 15 through March 31, and a report will be submitted reflecting actual and budgeted expenses for only this period.

[1] This is a new requirement that will require center contractors, at the time of implementation, to reconstruct and report the cumulative from inception line item totals (Lines 01 - 29) for center operations expense.

- In March 2006 two reports must be submitted. The first report will constitute the final report for the just-completed contract year and in the “current month” columns will report expense during the period of March 1 through March 14; and the period ending date would be reported as March 14, 2006. The second report for the month will constitute the initial report of the new contract year and in the “current month” columns, will report expense during the period of March15 through March 31.

4. Reporting After Contract Expiration.

When a contract expires, the monthly reporting requirement for the contract continues until all undelivered commitments and unvouchered accounts payable are liquidated. It is necessary to submit a fully detailed report having a report period end date that coincides with the final end date of the contract. However, reports that are submitted for subsequent periods need not contain or reflect the annual budgets, the planned expense-CYTD, or the variance data that normally appear on page 2 of the 2110, columns (b), (c), (e) and (f).

If there is no financial activity in a month, only a completed Page 1 must be submitted, and should be noted "NO ACTIVITY." The "Period Ending" will always be shown as the current reporting month, not the month in which the contract expired.

After liquidation of all obligations no further reports are required on an expired contract until close out. This last report should be marked "FINAL." If there are adjustments at close out, a report must be submitted for that month reflecting any changes to costs.

5. Accrual Reporting.

Costs reported on the “2110,” must always be on the accrual basis, i.e., the cost of materials and services used, or issued from inventory (not when received), regardless of when the invoices are received or paid. Many costs, such as Medical, Mental Health and Dentist Fees, hospital charges, GSA charges, utility costs, subcontract costs, and telephone bills, as a few examples, are not normally invoiced promptly. It is important that all such charges, including earned, but unpaid salaries and payroll related costs, be accrued so that reported costs include all incurred expenses.

Civilian Conservation Centers will continue to expense inventory when received. This will be the only exception to accrual accounting and reporting.

Earned but unpaid leave will not be accrued, reported as expense nor vouchered. Earned leave that is paid when an employee terminates from the center will be reported as salary expense when paid and will be vouchered at that time.

6. Error Corrections.

If a submitted report for a given month contains material errors, the contractor may submit a corrected report for that month, but only if the report for the succeeding month has not yet been submitted. Otherwise, any adjustments made to correct erroneous information on past reports (contract to date adjustments) **must be reflected in the current month's expenses** and the adjustment must be explained on the Variance Exceptions/Comments section. It is not permitted to simply adjust the Contract to Date Actual totals. The total of all monthly reports (or quarterly reports for federal centers) must agree with the Contract to Date Actual. Errors are always to be avoided, of course; but it is particularly important to ensure that reports submitted for the ending dates of contract years are as free from errors as possible.

7. Contractor Vouchering Considerations.

The requirements in this section apply only to contract centers and not to federal centers.

Vouchers submitted for payment by contractors must include only those amounts actually paid by the center and amounts earned by and due to the contractor (indirect administrative expense and fee). The requirement for payment of costs before vouchering are considered met if all of the following conditions exist:

- Contractor has received the material or service.
- An invoice has been received.
- The center paid or has begun processing documents for payment.

Contract centers may normally submit vouchers no more often than twice a month. The first voucher will cover the first of the month through the fifteenth and the second voucher will cover the sixteenth through the end of the month. The amounts reported as Vouchered Reimbursable Expense on the page 4 of the "2110" must agree with the month-end vouchers. The voucher for the first through the fifteenth of the month will be a reasonable estimate of voucherable costs for the period and will normally not exceed 50% of the current month's budget. Other special considerations that apply to vouchering by center contractors include the following:

- The amount vouchered **may not exceed the funds available** for any line item in the contract. This does not apply to individual line items 01-29 in the center operations budget, but only to the major line items identified in the contract's Funds Available Clause, e.g., center operations; construction and rehab; equipment; VST; and so forth.

- All salaries and fringe benefits earned during the month, whether paid or unpaid at month end, other than unpaid leave, will be accrued and reported as expense and may be vouchered. Unpaid leave **is not** to be vouchered, accrued or reported as expense.

- GSA vehicle expense (mileage-Motor Vehicle Expense, and monthly amortization charge - GSA Vehicle Rental) charges tend to be late in billing and **both charges must be accrued and the costs reported, but not**

vouchered until the above stated conditions for vouchering have been met.

- Inventory purchased, but not issued, is not reported as expense, **but the cost is vouchered if it meets the vouchering criteria**.

- Fee is vouchered and expensed as explained in the earlier description of Line No. 28. Fee holdback will apply only to those contracts that contain a clause requiring a stated percent of holdback. If a fee holdback clause is contained in the contract, the total earned fee will be reported as expense, but the voucher will be reduced by the amount of holdback.

- Prior payment requirements do not apply when the contractor is a Small Business Concern, FAR 52.216-7(c). Nonetheless, the cost of undelivered commitments is not billed, nor can accrued leave be billed.

8. Verification of Computations.

Since reports are used by Job Corps both to monitor the progress of center contracts and to accumulate needed historical data for required reporting, it is essential that all computations are checked to assure 100% accuracy before submission. Use of electronic spreadsheets or other IT tools can all but eliminate simple math errors. If reports are incomplete or errors are found, centers and/or contractors will be notified to resubmit.

9. Submittal Requirements.

a. Contract Centers

Submit 2 copies to the regional office and 1 copy to the national office. The regional office may require more or less copies. The DOL-Job Corps National Office copy must be transmitted at the same time as the regional office copy. The reports must be mailed by no later than the 20th of the month following the reported month.

b. Federal Centers

Submit one 1 copy only to the DOL-Job Corps National Office. The reports must be mailed by no later than the 20th of the month following the reported quarter.

c. Mailing Instructions

Submissions should be sent first class mail only. Avoid sending via Express Mail, Federal Express, DHL, Airborne Express or any other expedited method. If immediate submittal is required, the reports should be FAXed to the national office. Submissions should be sent to the following Job Corps National Office address, and not addressed to an individual.

U.S. Department of Labor
ETA/Job Corps Program Mgt. Unit (Center Reports)
200 Constitution Ave., N.W.
Room N4463
Washington, D.C. 20210

10. Facsimile of Forms.

A facsimile of the five-page “2110" is found in the Job Corps Forms Handbook.

11. Detailed Instructions.

Below are detailed instructions for making entries in the various blocks and columns of “2110.”

2110 Page 1

1. Center Name. Enter the official name used to identify the center in its contract with Job Corps. If this report is for a major component as previously described, enter the component name after the center name e.g., "Pine Top-Utopia Satellite.” Use no abbreviations in the Job Corps Center Name. Do not include "Job Corps Center" after the center name. This information must be entered at the top of each succeeding page.

2. Contractor Name. Enter the name of the contractor.

3. Report Period Ending (Mo/Day/Yr). Enter the last day of the calendar month for which the report is being prepared. The date will be for the current month even if the report is for an expired contract. The only exception will be for contracts which end on any day other than the last day of the month as discussed in previous section on time frame.

4. Contract Number. Enter the number of the contract for which data is being reported. This applies to contract centers only.

5. Latest Contract Modification Number. Enter the number of the latest contract modification signed by the Contracting Officer and received by the center that was effective during the reported period. (Standard Form 30 - Block #2)

6.a. Approved Budget No. Number of the latest approved budget submission, ETA 2181.

6.b. Pending Proposal Date. If the center has submitted a proposal to the regional office that has not yet been returned to the center, enter the date that the budget was sent to the regional office.

7. Duration of Contract.

Begins: Enter the start date of the contract performance period.

Ends: Enter the current completion date of the contract.

8. Student Years (SYs) Produced, Contract Year to Date (CYTD).

a. Current Contracted Capacity. This is simply the current center capacity as stated in the contract. This is not the surge capacity. If there has been no change in the center's capacity, this amount will not change from the previous month. If the center capacity has changed during the month, the capacity will be computed as follows:

Multiply the different capacities by the number of days at that capacity and divide the total by the number of days in the month. Example follows.

Capacity March 1 through 10 -300 - 10 X 300	=	3,000
Capacity March 11 through 31 was 325 - 21 X 325	=	6,825
Total		9,825
Divided by 31 = Current Contracted Capacity		316.9

If the capacity in the next months remains at 325, the reported capacity will be 325.

b. Current Month Average On Board Strength (OBS). This item will report the average number of students on-board during the month. To calculate, divide the total number of the daily on board strengths, for the calendar month being reported, by the number of days in the month. The current month average OBS should correlate extremely closely to the average of the 4 or 5 WSSR reports in the month (within 1 or 2 tenths).

c. Capacity % Current Month. This item will report the current month actual OBS as a percent of capacity. To calculate, divide No. 8.b., Current Month Average OBS, by No. 8.a., Current Month Contracted Capacity. Express result as percent.

d. Planned SY Contract Year to Date. This item will report the planned Student Years for the contract year through the current month. To calculate, divide the Current Contracted Capacity (8.a.), by 12 and add to the previous month's Planned SY contract to Date. In the first month of the contract year only the current month will be reported.

e. Actual SY Contract Year to Date. This item will report the actual Student Years produced through the current month. To calculate, divide Current Month Average OBS (8.b.) by 12 and add to the previous month's Actual SY Contract Year to Date (8.e.). In the first month of a contract year only the current month will be reported.

f. Capacity % Contract Year To Date. This item will report the contract year to date actual student years produced compared to plan. To calculate divide Actual SY

Contract Year to Date (8.e.), by Planned SY Contract Year to Date (8.d.). Express result as percent.

9. Student Year Cost.

a. Planned for Contract Year. This item will report the planned contract year cost. To calculate, divide the current contract year budget by the total contract year Planned OBS. This will be the capacity stated in the contract. If the center capacity changes during the contract year, the planned OBS will be computed as follows:

1. Divide the various capacities by 12. This will determine the number of student years to be produced per month. If the capacity changes during a month, it will be necessary to divide by 52 which will produce student weeks.

2. Multiply the figures derived in 1. By the number of months or weeks at each capacity. The total of these amounts will be the number of student years planned. Example follows:

A center began the contract year, on January 1 with a stated capacity of 200. Effective June 1, the capacity was increased to 250. Effective August 1, the capacity was increased to 275.

200 / 12 = 16.67 X 5 (Jan-May)	83.35
250 / 12 = 20.83 x 2 (June-July)	+ 41.66
275 / 12 = 22.92 X 5 (Aug-Dec)	+114.60
Total for year (to 1 decimal)	239.6

If the budget is changed during the year because of a contract modification, this item must be recalculated. For Award or Incentive Fee contracts the budget amount will include only the Fixed or Base fee plus the amount of Award or Incentive Fee actually funded.

b. Actual Contract Year to Date. Enter the average student year cost for the entire elapsed period of the contract year. To obtain this figure, divide Current Contract Year to Date Actual, Net Center Operations Expenses (Line No. 31, column 3, page 2) by No. 8.e Actual Student Years Produced Contract Year to Date.

10. Expected Underrun if OBS is Less than 98%.

Entries are made here only if the value in block 8f is less than 98%.

a. Savings per SY Not Delivered. Block 9a (Planned Cost per SY) x 15%.

b. SY Shortfall, Contract Year to Date. Block 8d (Planned SY, CYTD) minus block 8e (Actual SY, CYTD).

c. Minimum Underrun Expected. Block 10a x block 10b.

d. Reported Variance. Enter the CYTD variance reported on page 2, line 30, column (e). An underrun will be positive. An overrun will be negative.

e. Underrun Deficit. If block 10d is greater than block 10c, leave blank. Otherwise, enter block 10c minus block 10d. Entry in 10e always required if 10d entry is a negative number. The amount in block 10e is that portion of the expected underrun that has not been obtained. Provide explanation in the Variance Exceptions and Concerns section on page 5.

11. Signature of Authorized Contractor Representative. The authorized person, normally the Center Director or designee, signs and dates this report, providing typed name and title in space provided.

12. Date Submitted. Enter the actual mailing date of the report, not the date prepared.

2110 Page 2

A. CENTER NAME. Same entry as Page 1, Block 1.

B. CONTRACTOR NAME. Same entry as Page 1, Block 2.

C. PERIOD ENDING (Date). Same entry as Page 1, Block 3.

D. CONTRACT NO. Same entry as Page 1, Block 4.

E. Basis for Planned Expense, CYTD (Prorated vs 2181 Custom Detail Budget). If the Planned Expense-CYTD in column (c) is a proration from the ETA 2181, enter an X after "Prorated 2181." If the amounts in column (c) are taken instead from the center's monthly Custom Detail budget enter an X after "Internal Monthly Custom Detail Budget."

F. Contract Year Begins, Ends: Beginning and ending dates of the current contract year.

G. NET CENTER OPERATIONS EXPENSE. Following are instructions and definitions for entries in columns (a) through (g).

Expense Categories Column. See the Cost Category Section of this Appendix for definitions.

Current Month Actual (a). Enter in this column the actual net expenses for the current month for each expense category.

Annual Budget (b). Enter the budgeted amount for the entire contract year for each expense category as shown on the latest approved 2181 budget. If a submitted budget at the beginning of a contract has not yet been approved, the submitted budget amounts should be used since no other budget is available.

Planned Expense-CYTD (c). The center has an option whether to report budgeted costs derived prorata (straight line budget) from the ETA 2181 or an custom detail budget as discussed in section E above. The option may not be changed during a contract Year.

Prorated from ETA 2181. The amount reported will be the current year's straight-line budget through the end of the reported month. To calculate, divide the Annual Budget (b) by 365 or 366 in a leap year. Multiply the result by the number of calendar days that have elapsed since the beginning of the current contract year. If the current contract period is for less than a full year, divide the Annual Budget by the number of days in the contract period and multiply by the number of days that have elapsed since the beginning of the current contract period. The result will be your prorata planned expense for the contract year to date.

Budget from Custom Detail Budget. The amount will be the current year's cumulative monthly budget through the end of the current month. The annual total for each category must agree with the annual category total reported on the ETA 2181.

Actual Expense -Contract Year to Date (d). Enter the actual net expense that has accumulated since the beginning of the current contract year. Current Month Actual is added to the Current Year to Date Actual data from the preceding month. In The first month of the contract year, this will be the same amount reported as Current Month Actual (a).

Variance (e). This is the difference between CYTD planned expense versus actual expense (computed as column c less column d). If the actual expense exceeds the budget (an overrun) show the variance in brackets (negative variance).

Variance Threshold (f). Variance thresholds (over or under) will be 3% of the Annual Budget (b) for each category of expense. In any expense category where the 3% yields less than $2,500, the threshold should be displayed as $2,500. The threshold for Net Center Operation Expense (Line 30) will be 1% of the annual budget. This relatively large allowable variance should reduce the need for explaining variances that occur early in the contract year as a result of timing of cost incurrence. If any variance exceeds these limits, in any category, the cause and corrective action must be reported on Page 5 of this report.

Cumulative Expense from Inception (g). For each expense category enter the actual net expense that has accumulated since the very beginning of the contract. Current Month Actual is added to the Cumulative Expense from Inception data from the preceding month. In the very first month of the contract, this will be the same amount reported as Current Month Actual (a).

Column Totals (Line 30). Column totals are entered on line 30.

2110 Page 3

A. CENTER NAME. Same entry as Page 1, Block 1.

B. CONTRACTOR NAME. Same entry as Page 1, Block 2.

C. PERIOD END DATE. Same entry as Page 1, Block 3.

D. CONTRACT NUMBER. Same entry as Page 1, Block 4.

E. NET CENTER ACTUAL EXPENSE-ALL CATEGORIES.

Following are instructions and definitions for entries in columns (a) through (d) in Section E:

Expense Categories Column. See the Cost Category Section of this Appendix for definitions. Please note that the line 1 entries are carried forward from line 30 on page 2.

Current Month (a). Enter in this column the actual net expenses for the current month for each major expense category.

Contract Year to Date (b). Enter the actual net expense that has accumulated since the beginning of the current contract year. Current Month Actual is added to the Current Year to Date Actual data from the preceding month. In The first month of the contract year, this will be the same amount reported as Current Month Actual (a).

Cumulative Through Prior Year (c). Enter the Cumulative From Inception (d) reported for the end of the prior contract year. In the first year of the contract this column will be blank.

Cumulative Expense from Inception (d). For each expense category enter the actual net expense that has accumulated since the very beginning of the contract. Current Month Actual is added to the Cumulative Expense from Inception data from the preceding month. In the very first month of the contract, this will be the same amount reported as Current Month Actual (a).

Column Totals (Line 11). Column totals for lines 1 - 10 are entered on line 11.

F. INVENTORY ACTIVITY.

All receipts that can be inventoried must be processed through the inventory accounts even if immediately issued for use. Adequate and accurate accounting for inventory, through perpetual inventory records, is essential for proper control of financial resources and reporting of costs and government assets.

It is important to note that inventory is a government-owned asset and must be protected and accurately reported. All receipts and issues in the inventory accounts must be recorded. Abnormally high or low usage in a particular category may not be evident if records do not reflect total usage. Proper recording of accruals will keep discrepancies between book value and physical inventory count to a minimum. Periodic adjustments that are needed to achieve agreement with the physical count must be reflected in the Issues Column and appropriate expense categories.

At the expiration of a contract, a physical inventory must be taken to determine the ending inventory of the old contract and the carryover to the new contract. Any adjustments required, as a result of the physical inventory, must be recorded on the old contract inventory and the adjusted balance reported as the carryover on the new contract. Any inventory received on the old contract as a result of undelivered commitments will be reported on the old contract. The revised Inventory on Hand will be reported on the new contract as Prior Contract Inventory Carryover. Inventory records must be maintained for VST materials, but will not be reported on the ETA ”2110.” These inventory records must be available for review during Regional assessments and audits.

Categories.

Clothing (Line 12). This will include vocational, recreational and issue clothing that will be charged to the appropriate expense category when issued.

Food (Line 13). This will include all stored food items that have not been issued to the kitchen for use.

Academic/Vocational (Line 14). This will include both Academic and Vocational materials. When issued the expense will be recorded in the appropriate category (Line 02-Other Academic Expense or Line 04-Other Vocational Expense.

Medical/Dental (Line 15). This will include all Medical/Dental supplies no matter where stored (consistent with the requirement in PRH 6.12, R4 to control inventories of medical supplies until dispensed to users).

Fuel Oil (Line 16). Record the current value of stored fuel oil and propane, as discussed under "Inventory Valuation Method" which follows. If the center does not use fuel oil, note this category "N/A.”

Other (Line 17). Any inventory which does not belong in Clothing, Food, Training, Medical or Fuel Oil will be reported as Other Inventory, but will be charged to the appropriate expense account when issued.

Total (Line 18). The total of lines 12 through 17.

Columnar Instructions/Definitions. Following are instructions and definitions for entries in columns (a) through (j) in Section F.

Receipts, Current Month (a), Contract Cumulative (b). Enter on the appropriate lines the dollar value of inventory receipts for the current month in column (a). Be sure that accruals are included. To calculate the Contract Cumulative, column (b), add Current Month receipts to the preceding month's Contract Cumulative receipts. This will be the cumulative receipts for the entire contract period. Receipts resulting from Undelivered Commitments on an expired contract will be reported on the expired contract. Prior contract inventory carry-over is not recorded as a receipt. Inventory received at no cost to the current center contract (i.e., surplus, commodities, donations) will be recorded at zero cost on inventory records. Any freight charges, incurred on no cost inventory, may be charged to the benefiting expense category.

Issues, Current Month (c). Enter on the appropriate lines the dollar value of inventory issues for the current month in column (c), including issues of accrued receipts as recorded in the perpetual inventory records or physical inventory count (beginning inventory, plus receipts, minus ending inventory equals issues).

An expired contract should not report any issues unless there is an adjustment pertaining to a prior period. If issues are reported for an expired contract, the reason must be explained in the Exceptions section (Page 5). Inventory received at no cost to the center will be issued with no cost recorded.

Inventory stored in a using area must not be considered as issued if the amount on-hand exceeds a 30 day supply. Materials transferred to using areas will only be considered as "Issues" when the amount of material does not exceed a 30-day supply. Excessive amounts of inventory can be accumulated when there is no accounting for materials and it can become difficult, if not impossible to know when to reorder. This can create shortages of needed materials or amounts in excess of requirements.

If a physical inventory reveals a shortage, or excess material is disposed of by Federal Excess Property Procedures, increase the Current Month issues (4) by the amount and explain the adjustment in the Variance Exceptions and Concerns section of the ETA "2110" (page 5). Current month expense will be increased by the amount of the adjustment.

If a physical inventory reveals an overage, reduce the Current Month issues (4) by the amount and explain the adjustment in the Variance Exception section. Current month expense will be reduced by the amount of the adjustment.

Minor variances from the perpetual inventory are expected, but if physical inventories continually reveal large discrepancies, the record keeping must be examined to determine the cause and corrective action instituted.

It is necessary that all adjustments be processed through issues since issues determine reported cost. Explanations are necessary to discuss the issues and cost fluctuations where there is a noticeable impact on monthly cost.

<u>Issues, Contract Cumulative (d), Average (e)</u>. To calculate the Contract Cumulative, add the Current Month issues to the preceding month's Contract Cumulative issues. This will be the cumulative issues for the entire contract period. Issues of prior contract inventory carry-over will be recorded as issues in this contract. Issue value may be determined on the Average Unit Price Method (described below) or on the First-In, First-Out Method; no other pricing method may be used.

<u>Average Unit Price</u>. This accounting method prices all issues from inventory at the average unit price of all like material in stock at the time. The advantage of this method is that, although based on actual costs, it equalizes price fluctuations over the period of use. Enter on the property record (stock cards) receipts, issues, and balances on hand. Use two vertical, parallel columns, one for quantity and one for monetary value. When materials are received, enter the actual quantity and the price paid in the received columns. Add to the total shown in the balance columns. When materials are issued, the appropriate average unit costs are easily calculated; divide the current total balance value by the balance quantity. This average unit cost is used to determine the issued value, which is then deducted from the balance value and the issued quantity, which is deducted from the balance quantity. The average unit cost may be noted on the top of the page of individual property records. There is no need to re-compute the average unit cost unless there are additional receipts between the last and the upcoming issue.

<u>First-In, First-Out</u>. This accounting method prices all issues from inventory at the actual cost of the material issued. This method assumes that the first material issued was the first received, even though the actual material cannot be identified as to receipt date, and the issue is priced at the cost of the oldest inventory in stock.

<u>Issues, Average for Contract (e)</u>. This item is computed by dividing Issues - Contract Cumulative (d) by the number of months completed in the contract.

Cumulative Net Inventory Change (f). To compute this column, subtract Contract Cumulative Issues (d) from Contract Cumulative Receipts (b). The result is the increase or decrease in inventory during the entire contract period to date. If issues are greater than receipts, the net change is negative and is recorded in brackets. A negative net change can only occur when inventory is carried over from a previous contract.

Add Prior Contract Inventory Carryover (g). Record here the amount of Inventory On Hand (9) reported at the end of the previous contract. This must be the amount of Inventory on Hand reported for the previous contract. This will be the Inventory On Hand currently reported for the old contract, not necessarily the amount reported at the contract expiration. If inventory is received after contract expiration, it will be reported on the old contract as explained in Receipts, above.

Inventory On Hand (h). This item is calculated by totaling Cumulative Net Inventory Change (f) and adding Prior Contract Inventory Carryover (g). Note that this is the computed book value of the inventories.

No. Mos. On Hand (i). To calculate, divide Inventory On Hand (h) by Average for Contract Issues (e). This item reflects the number of months the Inventory On Hand will last if the usage rate continues at the average rate for the contract to date. The maximum recommended Inventory On Hand is 2.0 months and any inventory category that exceeds this amount is considered an exception, and must be identified and explained in the Variance Exceptions and Concerns section (page 5). Since food inventory consists mainly of staples that usually make up only about 30% of food issues, normally a 2-month supply would be considered excessive. Therefore, the maximum recommended food inventory is 1.0 months. Anything in excess of 1.0 months must be explained in the Variance Exception and Concerns section.

Contract Value Amount That is Budgeted for Inventory Change. If this is the first contract for a new center, enter by category the dollar amounts reflected in the current estimated cost of the contract that were expressly budgeted to establish a working inventory. If this is a contract for an established Job Corps center, and the estimated cost of the contract expressly provides for an increase to inadequate inventory levels that were carried over from the prior contract, enter the dollar amounts for the inventory increases by category.

G. Center Operations Expense - Reconciliation of Contract Value with 2110 Data (for Contract Years 2 and Above).

This section provides for the identification of any inconsistencies between a) the official contract estimated cost for center operations expense and b) data contained in the 2110 report. Following are instructions and definitions for entries in this Section G:

Line 19 - Cumulative Cost thru Prior Year. Same as amount on page 3, in Section E, line 1, column (c).

Line 20 - Annual Budget for Current Year. Same as amount on page 2, in Section G, line 30, column (b).

Line 21 - Implied Contract Value. Calculated as the sum of entries in lines 21 and 22. In the framework of data contained in the 2110, this is the expected cumulative center operations expenditure through the current contract completion date.

Line 22 - Contract Value per Latest Mod. This is the total current estimated cost for center operations expense as stated in the contract Estimated Cost clause for the full contract period as per the latest contract modification.

Line 23 - Variance (Line 20 less Line 21). This is the variance between the official contract estimated cost for center operations expense and the cumulative spending target reflected in the 2110 report. Variances greater than $1,000 need to be reconciled either by revising the 2181 budget for the current contract year or by seeking a contract modification to amend to estimated cost.

H. Center Operations Expense - Reconciliation of 2181 Prior Year Cum with 2110 Data (for Contract Years 2 and Above).

This section provides for the identification of any discrepancy between the cumulative through prior year center operations expense reported on the 2110 report and the amount that is stated in the currently approved 2181 budget. Following are instructions and definitions for entries in this Section H:

Line 24 - Cumulative Cost thru Prior Year. Same as amount on page 3, in Section E, line 1, column (c).

Line 25 - Prior Year Cum per Approved 2181. In the currently approved 2181, this is the amount on line 31 in the Revised Budget column.

Line 26 - Variance (Line 24 less Line 25). This is the variance between 2110 data and 2181 data concerning cumulative expense through the prior contract year. Any reported variances must be reconciled, normally by revising the 2181 budget for the current contract year.

2110 Page 4

A. CENTER NAME. Same entry as Page 1, Block 1.

B. CONTRACTOR NAME. Same entry as Page 1, Block 2.

C. PERIOD END DATE. Same entry as Page 1, Block 3.

D. CONTRACT NO. Same entry as Page 1, Block 4.

E. CONTRACTOR OBLIGATIONS. This section reports the status of all center obligations for the full contract period to date, in relationship to contract funding and value (also referred to as "estimated cost"). The information required must be completed for each applicable major contract budget line item. Following are instructions and definitions for entries in columns (a) through (i) in this Section E:

Expense Categories. See the Cost Category Section of this Appendix for definitions. All major budget line items reflected in the contract estimated cost clause must be reported in this Section E. Line 11 is used to report the columnar totals or averages of columns (a) through (h).

Vouchered Reimbursable Expenses (a). In column (a), report for each applicable expense category the total amount of all vouchers submitted to DOL for payment for the contract to date, including the voucher prepared for the reported month. Please refer to discussion of vouchering criteria in previous section.

Unvouchered Reimbursable Expenses (b). In column (b), report for each applicable expense category the current total of all reimbursable amounts due the contractor, but not yet submitted on a voucher. Examples follow:

- Invoices paid but not included on a voucher because of early cut-off.
- Indirect Administrative Expense accrued on Unvouchered Accounts Payable accruals.
- Fee holdback, as discussed in definition of contractor fee expense category contained in previous section.
- Accounting errors, which omitted items from the voucher.
- Amounts which exceed the amount of funds available in the contract as per discussion of vouchering criteria contained in previous section.

Unvouchered Accounts Payable (c). In column (c), report for each applicable expense category the current total of all accruals as per the discussion of accrual reporting contained in a previous section.

Undelivered Commitments (d). In column (d), report for each applicable expense category the current total of the value of all undelivered goods and services for which the center has made commitments, but has not yet received the material or service. This is simply the total of all open purchase orders. These are firm commitments only and therefore do not include total blanket purchase orders, but do include orders placed for current delivery against such open or blanket purchase agreements. Do **not** record as commitments subcontracts and long-term equipment or facility leases.

It is essential that all commitments to each contract be shown accurately so that users of this report will receive reliable information on the status of contractor obligations. When a contract expires, only the commitments made before the expiration of the contract may be paid from that contract. Excess funding is removed from the contract by the Contracting Officer based on amounts reported as Total Contractor Obligations.

If payments are made by the contractor after the expiration of a contract for the cost of unrecorded commitments, the contractor must be able to document that the firm commitments were made prior to contract expiration. An auditor may recommend disallowance for costs where the commitment date is questionable.

Total Obligations (e). The sum of the previous four columns (a through d) represents the total obligations of the center.

Contract Funding (f). In column (f), report for each applicable expense category the current total contract funding as stated in the contract Summary of Funds Available clause, per the most recent contract modification that was effective prior to the end of the reported period.

Percent of Funding Obligated (g). To calculate, divide Total Contract Obligations, column (e) by Total Contract Funding, column (f) and express as a percentage.

Contract Value (h). In column (h), report for each applicable expense category the current total contract estimated cost as stated in the contract Estimated Cost and Fixed Fee clause, per the most recent contract modification that was effective prior to the end of the reported period.

Percent of Value Obligated (i). To calculate, divide Total Contract Obligations, column (e) by Total Contract Estimated cost, column (h) and express as a percentage.

Percent Performance Period Completed (i). This entry is made in the cell below Line 11. To calculate, divide number of days from start date of contract through report period end date by the number of days from the start date of the contract through the current completion date of the contract.

F. VOUCHER RECONCILIATION. This section reports information that identifies any discrepancies between certain data on the 2110 report and data appearing on the voucher submitted by the contractor for the end of the same period being reported on the 2110. In the title box of this section F, enter the contractor's identifying number of the voucher submitted for the end of the reported period and the contractor's signature date on that voucher.

Operating Expense (a) versus Facility Cnst & Rehab (b). Column (a) is used to provide information concerning operating expense, which includes all expense categories other than Construction and Rehab. Column (b) is used to report amounts for Construction and Rehab; and column (c) provides the totals of amounts in columns (a) and (b). This segregation of Job Corps funds into two primary categories reflects the Congressional appropriation for Job Corps. Separate amounts are appropriated for operating expense versus facility construction and rehab.

Cumulative Vouchered, (Line 12). On line 12, enter the contract to date totals of amounts vouchered for operating expense and facility cnst & rehab, respectively. The total of both categories is entered in column (c). This information should be taken from the required back-up page submitted with the voucher for the end of the reported period.

Difference with Section E, Column (a), (Line 13). On line 13, enter any differences between the amounts entered in line 12 and the amounts entered in column (a) of section E above. The differences reported will be in terms of section F, line 12 amounts minus section E, column (a) amounts. The computations in the cnst & rehab column and in the totals column are straightforward. In the operating expense column, the following computation is recommended:

+ Sec F cumulative operating expense vouchered per line 12
+ Sec E amount for cnst/rehab per col (a), line 2.
- Sec E total for vouchered reimbursable expense per col (a), line 11.
= Sec F operating expense difference in col (a), line 13.

Explanations. Any differences reported on line 13 must be explained in the space provided. Use a continuation sheet if necessary.

G. ADJUSTMENTS TO EXPENSE. This section reports information that is used to indicate the reasonableness of the accruals that are reflected in the discrepancies between certain data on the 2110 report and data appearing on the voucher submitted by the contractor for the end of the reported period. In the title box of this section F

Operating Expense (a) versus Facility Cnst & Rehab (b). As with the preceding Section F, in Section G, column (a) is used to provide information concerning operating expense, which includes all expense categories other than Construction and Rehab. Column (b) is used to report amounts for Construction and Rehab; and column (c) provides the totals of amounts in columns (a) and (b).

Total Expense (Line 14). On line 14, enter the contract to date totals of amounts reflected in columns (a), (b), and (c) of the preceding Section F. This represents the sums of vouchered reimbursable expense, unvouchered reimbursable expense, and unvouchered accounts payable.

Less Adjustments (Line 15). The lines provided immediately below line 15 are used to reconcile the net contract to date expenses reported on page 3 of the of the 2110 with the total contract to date obligations reported in page 4, Section E, but excluding undelivered commitments.

Line (a) Pre-Paids. Enter the amount of unaccrued pre-paid expense reflected in Line 14, above. The term “pre-paids” refers to items that have been paid for in advance by the contractor but not yet consumed or utilized by the center. As used for purposes of this report, the term “pre-paids” excludes any items that are reported on page 3 in Section F (Inventory Activity). Typical pre-paid items might include insurance premiums and tuition payments for students and staff.

Line (b) Ops Inventory Change. Bring forward under columns (a) and (c) the amount reported on page 3 of the 2110, line 18, column (f).

Line (c) Other. Enter the amounts of any other differences between line 14 amounts and the net expenses being reported on page 3 of the 2110, Section E, column (d). Normally, this entry will be “zero.” Any entries other than “0" must explained in the space provided.
Line (d) Total of a+b+c. Self-explanatory. These amounts must equal the difference between line 14 above and the net contract to date expense reported in Section E of page 3 of the 2110.

Equals Net Expense (Line 16). On line 16, bring forward the appropriate amounts from page 3 of the 2110, Section E, column (d), for operating expense, construction and rehab (line 2 under column (d)), and the total (line 11 under column (d)).

2110 Page 5

A. CENTER NAME. Same entry as Page 1, Block 1.

B. CONTRACTOR NAME. Same entry as Page 1, Block 2.

C. PERIOD ENDING (Date). Same entry as Page 1, Block 3.

D. CONTRACT NO. Same entry as Page 1, Block 4.

VARIANCE EXCEPTIONS/CONCERNS.

This section will be a valuable tool for center staff in managing financial resources and for Job Corps in monitoring financial performance and serves two purposes:

1. This section serves as a vehicle for identifying and explaining causes and corrective actions for those line items that exceed allowable limits contract year to date. Any Variances Amount, reported in column (e) on page 2, exceeding the Allowable Variance Amount, reported in column (f) on page 2, must be explained and corrective action detailed.

   The cause of most exceptions, and the necessary corrective action can rarely be determined solely by the finance department of the center. The Cause and Action should usually be supplied by the appropriate program managers. Explanations should be as short as possible, but must adequately and reasonably explain the cause of the problem and action to be taken.

   The explanations should be clearly stated so that they can be understood by a reviewer not aware of specific conditions at the center. If the variance is the result of more than one cause or the result of an error, the amount(s) involved should be detailed. Explanations must not simply be repeated from month to month if the cause, or part of the cause, is changed. Actions must be reviewed to see if they are having the desired effect. If not, they should be examined to see if they are ineffective, inappropriate or not being followed. Actions not having the desired effect will be questioned by reviewers. If no action is possible, it should be so noted. If more than one page is needed, note next to Page 5 "1 of 2" or "2 of 3" as appropriate.

2. This section serves as a vehicle for identifying and explaining causes and corrective actions to be taken for those monthly line items that report costs that appear to be unusually high or low compared to historical monthly costs. There is no set threshold to require an entry in this section, but reviewers will question unusual appearing expenses. Supplying explanations at the time the unusual appearing costs are reported will reduce the amount of effort required to respond at a later date. All monthly negative costs must be explained.

This section should be used by the center to comment on fiscal problems that the center has, or expects to have, which the Center Director thinks should be brought to the attention of the Job Corps Regional Office or national office. This section will be a valuable tool for center staff in managing financial resources and for Job Corps in monitoring financial performance.

EXCEPTION/CONCERN CATEGORY (1).

Identify each line item category for which explanation is required or comment is desired, e.g., Clothing, Food, Insurance, etc. Also enter the line number.

VARIANCE AMOUNT(2).

This column will only be used when explaining a variance that exceeds allowable limits. Enter the total amount of the variance, not the amount that the variance exceeds the allowable limit. If the variance is negative (expense exceeds budget) the dollar amount is bracketed.

CAUSE OF EXCEPTION/CONCERN (3).

Explain the cause of the variance exception or concern and its present and future impact on center costs and program performance. Be as brief as possible, but adequately explain the problem. Do not refer a reader to any past reports, except the preceding month, for explanations.

CORRECTIVE ACTION (4).

Explain the action that has been taken or is planned to be taken to correct the problem. Be as brief as possible, but adequately explain the corrective action. Do not refer a reader to any past reports, except the preceding month, for explanations.

E. JOB CORPS CENTER FINANCIAL REPORT ETA 2110F (FEDERAL CENTERS)

1. Purpose.

The Job Corps Center Financial Report, "2110F," is used by the conservation agencies that operate federal centers to report, for each of their Job Corps centers, accrued expenses for the current quarter and to report cumulative expenses and obligations for the current program year.

2. Originators.

These reports are prepared and submitted to DOL by the conservation agencies that operate Job Corps centers. A separate report is required for each center.

3. Time Frames.

Federally operated centers are required to report on a quarterly basis on a cycle that coincides with the Job Corps program year. The quarterly reporting periods are as follows:

Quarter 1: July - September
Quarter 2: October - December
Quarter 3: January - March
Quarter 4: April - June

4. Accrual Reporting.

Costs reported on the "2110F," **must always be on the accrual basis**, i.e., the cost of materials and services received, regardless of when the invoices are received or paid. Many costs, such as Medical, Mental Health and Dentist Fees, hospital charges, GSA charges, utility costs, subcontract costs, and telephone bills, as a few examples, are not normally invoiced promptly. It is important that all such charges, including earned, but unpaid salaries and payroll related costs, be accrued so that reported costs include all incurred expenses. Federal centers are permitted to expense inventory when received. This will be the only exception to accrual accounting and reporting.

> **Earned but unpaid leave will not be accrued or reported as expense.** Earned leave that is paid when an employee terminates from the agency will be reported as salary expense when paid.

5. Error Corrections.

Any adjustments made to correct erroneous information on past reports (program year to date adjustments) **must be included in the current quarter's expenses.** It is not permitted to simply adjust the Program Year to Date Actual totals. The total of all quarterly reports must agree with the Program Year to Date Actual.

6. Verification of Computations

Since reports are used by Job Corps both to monitor the progress of center contracts and to accumulate needed historical data for required reporting, it is essential that all computations are checked to assure 100% accuracy before submission. Use of electronic spreadsheets or other ADP tools can all but eliminate simple math errors. If reports are incomplete or errors are found, centers and/or contractors will be notified to resubmit.

7. Submittal Requirements.

Submit one 1 copy only to the DOL-Job Corps National Office. The reports must be mailed by no later than the 20th of the month following the reported quarter.

8. Facsimile of Forms.

A facsimile of the two-page “2110F” is found in the Job Corps Forms Handbook.

9. Instructions.

Following are instructions for making entries in the various blocks and columns of “2110F.”

INSTRUCTIONS FOR ENTRIES ON THE JOB CORPS 2110F REPORT

A. CENTER NAME.

Enter the name of the Job Corps center. Do not abbreviate. Please do not include the term "Job Corps Center" after the name.

B. AGENCY NAME.

Enter the name of the conservation agency that operates the center.

C. QUARTER ENDING (Mo., Day, Yr.).

Enter the last day of the quarter for which the report is being prepared.

EXPENSE CATEGORIES.

See the Cost Category Section of this Appendix for definitions.

CURRENT QUARTER EXPENSE (a).

Enter in this column the actual expenses and income for the current quarter for each category of cost.

PROGRAM YEAR TO DATE EXPENSE (b).

Enter the actual expenses and income that have accumulated since the beginning of the current program year.

PROGRAM YEAR TO DATE OBLIGATIONS-ACTIVE ACCOUNTS ONLY (c).

By cost category, enter the actual obligations that have accumulated in the accounts that are active during the current program year. The active accounts would consist of the operating funds appropriated for the current year and construction-rehab-acquisition (CRA) funds appropriated for the current and prior two program years.

F. CONTRACT CENTER OPERATIONS BUDGETS

1. Scope.

This Section applies only to contract centers. It does not apply to federal centers, for whom detailed budget formulation guidelines are issued on an annual basis.

The instructions in Section F are further restricted to treatment of center operating expenses. Section F does not apply to the budgeting of capital cost categories nor to non-center cost categories, such as OA/CTS. Center operators should follow guidance from the regional offices regarding budgeting requirements for these other categories.

2. Purpose.

Section F provides instructions for the development and presentation of line item budgets of center operating expenses. A line item budget is needed for each year that a center contract is in place. The guidelines in Section F cover the initial development of line item budgets as well as procedures for their subsequent revision. The line item budgets are intended to facilitate financial management and control by providing a detailed break out of the center operating costs that are summarized in the estimated cost clause of the center operating contract.

3. Overview of Requirements.

a. Formats

Form 2181 is used to display the line item budgets, as approved by the regional office, for the current contract year and for the next contract year, if any. Form 2181 may also used by contractors to propose budget revisions to the regional office.

b. Time Frames

Center operating contracts normally last 5 years, with the last 3 years being contingent on performance in prior years. During the first year of the contract budgets are prepared and maintained for the “Current” Year (Contract Year 1) and the “Next” Year (Contract Year 2). Both budgets are reviewed and approved as a “set” until the end of the first year. As Year 1 is closed and Year 2 begins, the “old” Next Year’s budget, becomes the “Current” budget for Year 2 and a new Next Year’s budget is prepared (for contract Year 3). This pattern is maintained for the life of the contract.

c. Current Year Line Item Budgets

An approved line item budget (form 2181) must be in place for the current contract year. Data from the approved form 2181 that covers the current year of the contract is used when preparing the “2110" cost reports during that year of the contract.

It should be noted that the form 2181 does not call for the display of "historical" cost data on a detailed line item basis. The intent is to focus attention primarily on the current year. However, it is necessary to account for prior years' spending on a bottom line basis in order to assure reconciliation of data between the form 2181 the estimated cost clause in the contract.

d. Next Year Estimates

Form 2181 is also used to maintain an updated “next-year” line item budget for the next contract year that remains in the contract. This is to ensure that an agreed-to 2181 budget is in place immediately at the start of the next contract year. Whenever the current year budget is being revised, it is further necessary: (1) to identify any adjustments that are of an ongoing nature (e.g., permanently deleting or adding slots), (2) to accurately calculate the impact of such changes on the operating budget for the next contract year, (3) to revise the form 2181 next-year line item budget for the next contract year accordingly.

e. Estimated Cost Clause

The budgetary information on the approved form 2181 that is in place for the current year must be kept in agreement with the amounts shown for center operating costs within the estimated cost clause of the contract. If a contract modification is issued that changes (up or down) the total center operating cost, a revised set of forms 2181 (current year plus the form 2181 for the next contract year) should be prepared and approved simultaneous to the contract modification. Conversely, if the regional office approves a change in the 2181 that affects the cumulative amount of center operating costs, then a simultaneous contract modification to revise the estimated cost clause is also needed.

f. AAPP/FOP Considerations

The acronym AAPP/FOP stands for Annual Advance Procurement Plan/Financial Operating Plan and refers to the internal system of the DOL-Office of Job Corps for planning and controlling the allocation of budgetary resources. Regional offices must adhere to current internal guidelines when reviewing and considering budget increases at contract centers and formally approve only those that are within AAPP/FOP levels. If a proposed current year or “next year” increase is in excess of the AAPP/FOP levels that have been established for the contract, the region must request and obtain the appropriate AAPP/FOP adjustment from the national office before the increase can be approved.

g. Underruns Due to Low On-Board Strength (OBS).

Contract center operators are expected to control expenditures for items that are sensitive to on-board student strength to ensure that expenditures for such items are commensurate with average student OBS. Expense items that are considered OBS-sensitive include food, clothing, and other consumables that normally comprise about 15% of a center’s operating budget. In any contract year when the center operates at less than 98% of planned capacity, the contractor will be expected to generate an appropriate year-end cost underrun as a result of reduced spending for OBS-sensitive items. The amount of the expected underrun is computed as follows: numerical shortfall in Student Service Years (SY's) during the contract year x the budgeted cost per SY (i.e., annual operating budget/planned SY's) x 15% = anticipated year-end underrun.

If the anticipated "low-OBS" underrun does materialize at the close of the contract year, the unspent funds will be returned to the DOL by means of a contract modification that makes an appropriate reduction in the contract estimated cost for operating expense. If an anticipated "low OBS" underrun fails to materialize in full at the end of a contract year, an adverse finding will be noted in the contractor's record of performance; and the Department will recover via contract mod whatever portion of the anticipated underrun did materialize.

h. Underruns in Excess of Anticipated Low OBS Savings.

At the end of a contract year, if a net cost underrun is reported which exceeds the anticipated "low-OBS" underrun, if any, the regional office may approve the contractor's retention of the additional underrun amount by rolling it over and adding it to the operating budget for the next contract year. Regional office "roll over" approval authority is limited to an amount equating to 2% of the annual operating budget for the year just ended or $200,000, whichever is less. However, for centers that have received an OMS rating of 95% or higher for the recently ended contract year, the regional rollover approval limit is 4%, with no "hard-dollar" ceiling.

The region further has the option to approve any of the "roll over" amount to be converted to Equipment or VST funding. If conversion to Equipment or VST is elected, the region should promptly notify the national office to issue the necessary AAPP/FOP changes.

Any proposal to exceed the above rollover limits must be referred to the national office for prior approval. Otherwise, any portion of the underrun that is not within the applicable rollover limit will be deleted from the estimated cost via contract modification.

i. Staff Compensation Supplement.

When submitting the initial 2181 budget for the first contract year or the initial 2181 budgets for subsequent contract years, the contractor must provide a staff compensation supplement that indicates average budgeted salaries for each job category at the center, along with other information that provides for a reconciliation with the amounts budgeted in the various personnel expense line items.

4. Multiple Budgets.

Where there is more than one contractor at a particular Job Corps center, each with specific center responsibilities and a separate contract with Job Corps, a separate set of records (contracts, 2181 budgets, 2110 cost reports and contract funding/estimated Cost entries) must be maintained on each contractor. Also, a separate set of records (contracts, 2181 budgets, 2110 cost reports and contract funding/estimated Cost entries) may be required for major program components falling under one contract (e.g., satellite center versus main center) if requested by DOL.

5. When Submittals Are Needed.

a. Initial Submittals-Contract Year 1

The center operator must submit initial 2181 budgets to the regional office within ten (10) days after the effective date of the contract. The initial submittal must include a form 2181 for the first year and another for the second year of the contract. If these initial 2181s are in exact accord with the line-item amounts in the contractor's best and final cost proposal, the budgeted amounts in the contractor's submittal should be entered under the "REVISED" column, with no entries needed under the "PRIOR" or "ADJUSTMENTS" columns. If the contractor is proposing initial budgets that reflect differences from its best and final cost proposal, then the 2181s should be prepared to display the cost proposal budgets under the "PRIOR" column, the line-item changes to the cost proposal in the "ADJUSTMENTS" column, and the resulting new line-item totals in the "REVISED" column. The dollar adjustments must be explained in narrative back up.

Unless extensive follow up or national office authorizations are required, the regional office should normally approve the initial 2181 budgets within 2 weeks after receipt from the contractor. The regional office and the contractor should schedule this process to ensure that an approved 2181 budget is available in time for use in the first monthly cost report. At the outside, the approved 2181 budget must be available to the contractor by the 15th day of the second calendar month of contract year 1.

b. Year-End Close Out and Reconciliation

The following discussion is in the framework of closing out the first contract year. However, the same pattern of events and time frames apply at the close of each contract year except the very last year.

Soon after the end of contract year 1, the contractor must submit a proposed new 2181 budget in which year 2 becomes the “current year” and year 3 (normally the first option year) becomes the “next year.” The contractor's proposed new 2181 budget is due in the regional office within 30 days after the start of year 2. This schedule allows 10 days developmental time between the due date of the final cost report for contract year 1 and the submittal of the proposed new 2181 budget to the regional office. Regional offices are expected to respond to the contractor with an approved 2181 budget within 2 weeks after receipt of the proposal.

As part of this process, the proposed new 2181 must address and reconcile the variances between actual and budgeted expense that existed at the end of contract year. The types of issues that tend to arise during this process are as follows:

- If actual bottom line spending fell below the year 1 budget, is there a reasonable basis for rolling over the unspent funds and adding them to various line items in the new 2181 budget for year 2? Or should some or all of the unspent funds from year 1 be deleted from the contract via a net reduction in the estimated cost clause?

- If actual bottom line spending exceeded the total amount budgeted for year 1, should the new 2181 budget for year 2 be reduced to offset the overspending in year 1 and thus eliminate the need to request an increase in the contract estimated cost? Or should a net increase in the estimated cost of the contract be requested in order to avoid programmatic disruptions that could result from absorbing a year 1 overrun with cuts in year 2?

- Do the line item variances that exist at the close of year 1 (up or down) represent one-time occurrences or do they represent changes in the underlying ongoing costs for operating the Job Corps center? If the variances indicate changes in the underlying costs, the new 2181 that is being proposed for year 2 must also reflect appropriate changes in the “next year” budget that is provided for year 3.

Unless extensive follow up or national office authorizations are required, the regional office should normally approve the reconciled year 2 budget within 2 weeks after receipt of the contractor's proposal. The regional office and the contractor should schedule this process to ensure that an approved 2181 budget is available in time for use in the first monthly cost report due for year 2. At the outside, the reconciled 2181 budget for year 2, along with any necessary contract modification in the estimated cost clause, must be available to the contractor by the 20th day of the second calendar month of contract year 2.

c. Option Year Extensions

When a regional office determines to issue an option year extension, the normal practice prior to the start of the option year is for the regional office to issue a contract modification that increases the estimated cost for operating expenses in the amount of the approved “next year” 2181 budget that is then on file for the “new year.” The regional office must further ensure that any estimated cost increase is within the limits of the AAPP/FOP.

Differences between actual and approved spending that exist at the end of the prior contract year may have an impact on the budget for the new year as well as the official estimated cost of the contract. The issues and questions that must be addressed are the same as those discussed above for the reconciliation at the end of contract year 1 and may result in a contract modification to revise or “fine-tune” the estimated cost for center operating expense.

d. Midyear Revisions

Midyear revisions of the line item budget are normally processed only when there is a need to change the bottom line of the current year center operating budget. Contractors are not encouraged to propose formal revisions of 2181 budgets merely to shift amounts between line items in order to minimize apparent "variances,” although such proposals will be entertained by regional offices if good reasons are offered. Requests for midyear revisions should be developed using the form 2181 (and appropriate back-up) and should normally be limited to the following situations:

(1) When there is a pending contract modification approved and funded by the national office for a programmatic change, such as the provision of funds for installing new curricula or programmatic initiatives. In these situations, the contractor will normally be requested by the regional office to prepare and submit a budget revision proposal that distributes the prescribed funds to the appropriate line items.

(2) When there has been or will be an unavoidable bottom-line variance of material proportion that cannot or should not be totally resolved through changes in spending patterns during the remaining months of the current contract year and which must clearly be accommodated with an adjustment in the bottom line of the center operating budget for the current year.

(3) In line with procedures for the treatment of fee as discussed in a later paragraph, a midyear revision to the form 2181 is required when award or

incentive fee earnings are finalized and formal adjustments are made in the estimated cost of the contract.

Regional offices should respond promptly to contractors' requests for mid-year budget revisions. Unless extensive follow up is required, the regional office should resolve these requests within 2 weeks after receipt of the contractor's proposal. The regional office must ensure, however, that any estimated cost increase is within the limits of the AAPP/FOP established by the national office.

6. Packaging of Budget Submittals.

a. **Form 2181s** are used in sets of two to display a contract center's **regionally approved** line item budget for the current contract year (base year 1, base year 2, option year 1, option year 2, or option year 3, whichever applies at the time), as well as the "pre-approved" budget for the next available contract year.

b. As the contract progresses, 2181s are not needed for "prior" years.

c. The **form 2181** is also used by contractors to propose adjustments in current year and next-year budgets, including contractor submittals needed for year-end reconciliations. When used for this purpose, the forms are also submitted in sets of two, one for the new "current" contract year and one for the next available contract year. Proposed line item adjustments must be substantiated by the contractor with adequately detailed back-up explanations and computations, normally provided in the form of attachments. Also, centers that determine planned monthly expense on the basis of a detailed custom budget (as opposed to the straight-line proration method), must submit their proposed detailed custom budget to the regional office if requested to do so.

d. When the **form 2181** is used by contractors to propose adjustments in the existing budgets, appropriate entries must be made under all three columns (PRIOR BUDGET, ADJUSTMENTS and REVISED), including in lines 31, 32, and 33. Only one "PENDING" budget may be in play at a given time. If a contractor wishes to propose additional revisions while a proposed budget is still pending approval in the regional office, then the earlier pending budget should be withdrawn and replaced with a new proposed **form 2181.**

e. When a contractor submits proposed 2181 budget adjustments, the regional office may approve them as proposed or with changes. In providing the contractor with the new approved budget, the regional office should mark and annotate any such changes on the contractor's proposal or otherwise append to the contractor's proposal the bases and computations for the changes.

f. Regional offices must provide the national office (Attn: Financial Mgt.) with one copy of each approved 2181 package, including both the current year and next-year budgets. These items must be mailed to the national office within 1 week after regional approval of the revised 2181s.

7. Maintenance of Budget Records.

Contractors and regional offices must maintain an accurate and complete record of the form 2181 budgets that have been approved for each contract. These records should be maintained as an adjunct to the official contract file and include, in sequence, all 2181 budgets that have been approved under the contract, along with the revision proposals and back-up submitted by the contractor.

8. Treatment of Contractor Fee.

In formulating a 2181 center operating budget, the treatment of fixed fee is straightforward and should be handled as described in the discussion of fixed fee in Section C.5. For contracts that have a base fee + incentive fee, the initial 2181 budget for a contract year should reflect only base fee plus the provisional billing amount for incentive fee as stipulated in the contract. When the contractor is notified as to the exact amount of incentive fee that has been earned for performance during a recently completed contract year, the notification will specify by what amount the earned incentive fee is above or below the amount of the provisional payments that were made to the contractor in the recently completed contract year. The difference between provisional incentive fee payments and final amount earned will be treated as an adjustment to approved cost in the current contract year and reflected appropriately as such in a midyear revision to the current year's 2181 budget.

9. Detailed Instructions and Facsimile for Form 2181.

Following on the next page are detailed instructions for making entries in the various blocks and columns of form 2181. Working versions of these forms are available from the national office in both Excel and Quattro Pro.

JOB CORPS CENTER OPERATIONS BUDGET, FORM 2181 DEFINITION OF DATA ELEMENTS

Form 2181 budgets are prepared and approved in pairs, consisting of a Form 2181 for the current contract year and an additional form 2181 for the next available contract year that remains in the contract. Following are brief descriptions of the elements of information entered on the form 2181.

HEADING INFORMATION

Center Name. Enter the name of the Job Corps center. If the form is being prepared for a "major component" rather than an entire center, also include an identifying label for that component.

Contractor Name. Enter the contractor name as it appears on the contract.

Contract Number. Enter the DOL-assigned contract number.

Budget Number. The initial pair of forms 2181 for the 1st and 2nd contract years are numbered "1" and all later pairs of **approved** 2181's are to be numbered sequentially as they are approved by the regional office. The same number is given to all current year and next-year 2181's in a given pair. For example, the pair of 2181s for budget number "1" will include a number 1 budget for the first contract year and a number 1 budget for contract year 2.

Contract Year Number. Enter 1-6, whichever applies to the contract year covered by this form 2181. The normal pattern is as follows: Base Year 1 = Year 1; Base Year 2 = Year 2; Option Year 1 = Year 3; Option Year 2 = Year 4; Option Year 3 =Year 5; Extension Period After Year 5 = Year 6.

Approved or Pending. If the budget has been approved by the regional office, enter **Approved.** If the budget is a proposal that is still pending regional approval, enter **Pending**.

Ending. Enter the ending date (mm/dd/yyyy) of year identified in the block for Contract Year Number.

Current Year or Next Year. If the form applies to the current contract year, enter **Current**. If the form applies to the next contract year, enter **Next**.

BUDGET INFORMATION

Column Headings

Prior Budget. This column is used to display the last previous approved budget for the particular contract year. For example, if the form is used for approved budget number 8, then the "PRIOR BUDGET" column will display the "REVISED BUDGET" from approved budget number 7.

Adjustments. This column is used to enter the adjustments being requested or approved, depending on the purpose of the form.

Revised Budget. This column is used to display the revised budget that results from the approved adjustments. The entries under this column are the sums of the entries made under PRIOR BUDGET and ADJUSTMENTS.

Row Headings

Lines 1 - 29: Center Operations Expenses Categories. See earlier section of this Appendix for definitions of cost categories.

Line 30: Net Center Operations Expense. Totals of lines 1 through 29.

Note: Lines 31 - 34 are intended to reconcile to the Estimated Cost Clause in the contract. These lines therefore apply only to the 2181 that is prepared for the current contract year. However, if the current year is contract year 1, then lines 31-34 should be completed on the NEXT YEAR 2181 that has been prepared for year 2 instead of the CURRENT YEAR 2181 that has in place for year 1.

Line 31: Cumulative Expense through Prior Year.

When current year is contract year 1: Make no entry on the 2181 for contract year 1. However, on the 2181 for contract year 2 that is contained in this pair of 2181s, transfer in the amount from line 30 of the 2181 for contract year 1.

When current year is other than contract year 1: Enter the "cumulative thru prior year" amount shown for center operations expense as reported on the 2110 cost report (page 2, line 1, column c).

This entry is generally subject to ADJUSTMENT only in connection with year-end reconciliations. In the year-end reconciliation exercise, the entry on line 31 under PRIOR BUDGET is made by transferring the prior year's Cumulative Estimated Cost entry (line 32) contained in the approved budget that was in place when the prior year ended. The entry under the ADJUSTMENTS column will be the reverse of the bottom line variance that is reported in the final cost report for the prior contract year. A net underrun at the end of the prior year will yield a negative entry; an overrun will yield a positive entry. The entry under REVISED BUDGET will be the actual cumulative costs reported through the close of the prior contract year.

Lines 32a, 32b, and 32c: Budgeted Inventory Change (plus or minus). These lines are used to compute and display the budgetary impact of a planned increase or decrease in the amount of inventory that was carried over from the previous contract. Line 32a is used to reflect the dollar value of the desired inventory level; line 32b is used to reflect the dollar value of the inventory on-hand at the start of contract (day 1 of contract year 1); and line 32c is line 32a minus line 32b.

Desired inventory levels per line 32a should normally remain constant during the life of a contract, but occasions may arise where substantial increases or decreases are necessary. For example, inventory increases are needed when new centers are opened or existing centers are expanded or in instances where carryover inventory levels from the previous contract are below reasonable operating needs. In these cases, provision must be made in the estimated cost clause to finance the inventory build up even though the build up does not, of itself, change the amount of the accrued costs that will be reported under the contract.

Where excessive amounts of carryover inventory are on hand and will be reduced, operating expenses under the current contract are being financed with federal funds provided under the previous contract -- the amount of which must be subtracted from the estimated cost of the current contract.

Line 32b (Carryover from Prior Contract) should remain constant during the life of the contract, except that an ADJUSTMENT in line 32b might be expected in the early months of contract year 1 if inventory discrepancies are identified by a new incumbent contractor.

Please note that lines 32a - 32c are **not** intended to report fluctuations in actual inventory levels during the life of a contract; they are to be used for planned, budgeted changes only.

When current year is contract year 1: Make no entry on the CURRENT YEAR 2181 for contract year 1. Instead, make appropriate entries on lines 32a-c on the NEXT YEAR 2181 for contract year 2.

Line 33: Cumulative Budgeted Expense: Under each column, enter the sum of the entries made in lines 30, 31, and 32c.

Reconciliation to Current Estimated Cost. In spaces provided, enter the current estimated cost of the contract for center operations expense and the current contract modification number. The amount entered for “Implied Estimated Cost Change” should be REVISED BUDGET, line 33 minus “Current Estimated Cost.” If the result is not zero, then there is disagreement between the contract and the 2181. If disagreement exists, it is implied that action is needed to either develop a new 2181 or to modify the estimated cost; whichever is appropriate under the circumstances.

When current year is contract year 1: Make no entry on the CURRENT YEAR 2181 for contract year 1. Instead, make appropriate entries in the NEXT YEAR 2181 for contract year 2.

CONTRACTOR SUBMITTAL BLOCK

This block is used for signature and name of authorized contractor representative who is submitting a proposed new 2181 to the Contracting Officer.

REGIONAL OFFICE APPROVAL BLOCK

This block is used by regional offices to signify approval of initial budgets and new, revised budgets. This block must be completed on each of the 2181s that are in the set being approved -- i.e., the 2181 for the current year and the 2181 for the “next year.” Entries in this section are made by the regional office as follows:

Signature. Signature of the regional office approving official.

Name. Typed name of approving official.

Date. Date of signature.

10. Detailed Instructions and Facsimile for Staff Compensation Supplement to Form 2181.

Following are detailed instructions for making entries in the various blocks and columns of Job Corps 2181 Staff Compensation Supplement. A facsimile of the forms is attached. Working versions of the supplement form are available from the national office in both Excel and Quattro Pro.

INSTRUCTIONS FOR PREPARING THE 2181 STAFF COMPENSATION SUPPLEMENT	
GENERAL INSTRUCTIONS	
Purpose	To provide information that is needed to by DOL to determine whether the salaries offered by the center are appropriate and competitive within the local labor market.
All Budgeted Positions Must be Reflected	All staff positions whose salaries are budgeted in the "personnel" expense categories of the center's operating budget (Lines 01, 03, 05, 09, 11, 13, 15, 18, or 20) must be reflected on the worksheet, including those that are occupied by subcontractor employees. Complete and comprehensive information is needed on all budgeted positions in order to ensure agreement of supplement worksheet data with the budget data that appears on the center's 2181 budget
NTC Staff Not Included	The worksheet must NOT REFLECT positions occupied by National Training Contractor instructors.
Submit to Regional Office in Electronic Spreadsheet Format Using Model Supplied by the Job Corps National Office	Contractors must submit the staff compensation supplement to the regional office as an electronic spreadsheet, either Excel or Quattro Pro. Submittal as an e-mail attachment is preferred. Model worksheets will be disseminated by the Job Corps national office. From time to time, updated model worksheets will be issued for centers/contractors to use. The model worksheets have example data which should be overwritten with "live" data.
Overall Structure Must be Maintained	Do **not** add or delete any columns or rows. The existing structure of the model worksheet must be maintained
When to Submit	Contractors must submit a staff compensation supplement with the initial 2181 that is submitted for each contract year. Submittal of the supplement should be simultaneous with submittal of the 2181, itself. Supplements need not be submitted with subsequent 2181 revisions, unless expressly requested by the regional office.
Making Entries	Make entries in the blue-shaded cells. The yellow-shaded cells are filled by formulas
I. HEADING INFORMATION	

A. Center Name	Enter name of Job Corps center. Just the name, not including the words "Job Corps center".
B. Contractor Name	Self-explanatory.
C. Contract Number	Contract number assigned by DOL to the center operations contract.
D. Geographic Adjustor for this Center	Refer to the "geo_adjs" tab in the model worksheet and look up your center on the table. The "Aggregate Differential" in the column immediately to the right of your center's name should be copied and entered into this cell of the worksheet. The entry should be as a percentage.
E. Key Dates	1) Start Date of the Current Contract Year. Enter start date of the current contract year. 2) Start Date of Next Contract Year: If contract is not in its final year, enter the start date of the next contract year.

II. ANNUAL BUDGETED PERSONNEL EXPENSE	
ROWS/STUB HEADINGS	
1) Base Salaries - Position Categories/Titles	In each expense category, the most common position titles/categories are pre-printed. A number of "other/fill-in" lines are also supplied in each category. These may be used if the center has position categories that are not among those that are pre-printed. If the only difference between a center's position title and a pre-printed title is a minor variation in nomenclature, it is requested that these positions be reported against the pre-printed title instead of using one of the "other/fill-in" lines supplied on the worksheet. In each instance where an "other/fill-in" line is used, the operator or center must attach (preferably as a WORD document) a list of the major duties of the position category (or categories) being written in. Also note that base salary data needs to be reported separately for each position/title category.
2) Other Salary Expense/Savings	Budget data needs to be reported on an "expense category" basis for various add-ons and reductions to base salary. The pre-printed row headings include vacancy factor savings, over-time and night/holiday pay differentials, and bonus or incentive pay. An "other/fill-in" row is provided for any other types of budgeted adjustments to base salary costs.
3) Employer Paid Fringe Benefits	Budget data needs to be reported on an "expense category" basis for employer-paid fringe benefits.
4) Other Personnel Expense Not Listed Above	Budget data needs to be reported on an "expense category" basis for other personnel expense that does not fit any of the preceding categories. If entries are made in this row, the types of expense being budgeted should be described or captioned in the "box" provided under the stub heading.
COLUMN HEADINGS	
(a) Budgeted FTE Positions	The focus is on budgeted positions, which is not the same thing as positions that happen to be occupied at the time the worksheet is completed. For each position title listed, identify the number of FTE positions that are funded in the budget for the current contract year. It is assumed that this number will remain the same in the next contract year. If this is not so, provide an explanatory note in the comments section.
Average Budgeted Staff Compensation Rates and Costs, Columns (b) thru (e)	These columns are used to reflect the contractor's budgeted compensation rates and costs. Entries are made under columns (b) and (c). Columns (d) and (e) are filled via formula.
(b) Average Base Salaries for Current Contract Year	The focus is on budgeted annual salaries, which is not necessarily the same thing as salaries that are actually being paid to current employees at the time the worksheet is being completed. For each position title listed, enter the average (mean) budgeted annual base salary for the current contract year.
(c) Average Base Salaries for Next Contract Year	Provide the same information as in column (b), except for the next contract year. If the current contract year is the final year of the contract, leave blank.
(d) Budgeted Costs for Current Year	Base salary expense is computed by formula per FTE data and average annual salary data. For the other items of expense (fringe benefits, etc), enter the amounts budgeted in the current contract year on the appropriate rows. The bottom line total on row 5, TOTAL PERSONNEL EXPENSE, must agree with the corresponding line item

	on the center's "2181" operating budget.
(e) Budgeted Costs for Next Year	Provide the same information as in column (d), except for the next contract year. If the current contract year is the final year of the contract, leave blank.
DOL- Recommended Salaries, Columns (f) thru (h)	For each position title, these columns display the average annual salary levels that are deemed fully competitive in the center's local labor market. For purposes of this spreadsheet, these salary levels are being displayed for information purposes only. Also displayed is the DOL-recommended fringe benefit level of 23%, which is used in computations to display differences between overall DOL-recommended compensation levels (salary + fringe) and those budgeted by the contractor.
(f) Pay Level	The staff compensation model recommended by the Job Corps compensation consultant provides a graduated salary structure containing 10 pay levels, with the center director position being in the highest level (10). Other position categories are assigned to pay levels based on the consultant's database and supplementary research on the prevailing rates of pay for these types of positions. In those instances where a center needs to use an "other/fill-in" row for a position category that is not pre-preprinted on the worksheet, it will also be necessary to enter in column (f) the pay level (1–10) which the center believes is most appropriate.
(g) DOL-Recommended Salary for Current Contract Year	For each position title, the worksheet will display recommended average annual salary based on the pay level (1-10) that has been designated. These salary levels reflect appropriate adjustment for geographic labor cost differences and cost inflation due to time elapsed since the Job Corps compensation study was conducted.
(h) DOL-Recommended Salary for Next Contract Year	Same as for preceding column, except that the dollar levels are increased by 4% to reflect the normal yearly inflation in labor costs.
Average Budgeted Compensation As Percentage of DOL Recommended Level, Columns (i) and (j)	These two columns display, for each position title, the degree to which the center's budgeted compensation (salary + fringe benefits) matches up against the DOL-recommended level. Centers that pay salaries below the DOL-recommended level may actually match the DOL-recommended compensation by paying higher fringe benefits than the DOL-recommended level of 23%.

G. FEDERAL CENTER OPERATING BUDGETS

1. Initial Budgets for the Program Year.

The budgets for the federally operated centers are formulated annually in a cycle that coincides with the July-June Job Corps program year. Several months prior to the start of a program year, the DOL-Job Corps National Office issues detailed budget/planning instructions to the federal conservation agencies to initiate the budget formulation process. The budget proposals and the approved budgets will be formatted to show the annual amounts needed broken out into the established cost categories. A separate budget is prepared for each federal center.

2. Midyear Revisions.

The conservation agencies may submit requests for midyear revisions or adjustments to the DOL-Job Corps National Office at any time. Requests for budget adjustments must specify amounts by cost category and include adequate explanation and/or computations for the amounts involved.

3. Budget Approvals.

The DOL-Job Corps National Office should issue the approved initial program year budgets at least 2 weeks prior to the start of the program year. The DOL-Job Corps National Office should respond to requests for budget revisions within 10 working days after receipt from the conservation agency.

4. Budget Reductions to Due to Low On-Board Strength.

Conservation center operators are expected to control expenditures for items that are sensitive to on-board student strength to ensure that expenditures for such items are commensurate with average student on-board strength (OBS). Expense items that are considered OBS-sensitive include food, clothing, and other consumables that normally comprise about 15% of a center's operating budget. In any program year when the center operates at less than 98% of planned capacity, the conservation agency will be expected to generate an appropriate year-end cost underrun due to reduced spending for OBS-sensitive items. The amount of the expected underrun will be based on the cumulative Weekly Student Strength Report (WSSR) through April (i.e., 10 months into the program year) and is computed as follows: numerical shortfall in Student Service Years (SY's) during the first 10 months of the program year ((planned OBS - actual average OBS) x 10mos/12mos) x the budgeted cost per SY (i.e., annual operating budget/planned SYs) x 15% = anticipated year-end underrun. The Department of Labor will have the option of reducing the CCC's program year budget by the formula determined amount and adjust the final program year fund transfer accordingly.

H. JOB CORPS MONTHLY CENTER STAFF VACANCY AND SEPARATION REPORT

1. Purpose.

The Job Corps Monthly Center Staff Vacancy & Separation Report, ETA"2110S," is used by operators of Job Corps centers to report staff vacancy and separation data.

2. Originators.

Each Job Corps center operator involved in the operation of a Job Corps center completes this report. Where there is more than one contractor at a particular Job Corps center, each with specific center responsibilities and a separate contract with Job Corps, each contractor will complete this report for center staff on their payroll. Also, a separate set of reports may be required for major program components falling under one contract (e.g., satellite center versus main center) if requested by the DOL-Job Corps Regional or National Office.

3. Time Frames.

Reports will display information for the entire reported calendar month.

4. Submittal Requirements.

a. Contract Centers. Submit 1 copy to the regional office and 1 copy to the national office along with the Center Financial Report (ETA"2110"), but not stapled together. The copy for the DOL-Job Corps National Office must be transmitted at the same time as the regional office copy. The reports must be mailed by no later than the 20th of the month following the reported month.

b. Federal Centers. Submit one 1 copy only to the DOL-Job Corps National Office. The reports must be mailed by no later than the 20th of the month following the reported month.

c. Mailing Instructions. Submissions should be sent first class mail or e-mailed (e.g., in spreadsheet format, such as Quattro Pro or Excel). **Avoid** sending by Express Mail, Federal Express, DHL, Airborne Express or any other expedited method. If immediate submittal is required, the reports should be FAXed to the national office. Submissions should be sent to the following Job Corps National Office address, and not addressed to an individual.

U.S. Department of Labor
ETA/Job Corps Program Mgt. Unit (Center Reports)
200 Constitution Ave. N.W., Room N4463
Washington, D.C. 20210

5. National Office Responsibilities.

The monthly data reported by the individual centers will be entered into a computer data base by the national office, which will distribute output reports back to regions, center and individual centers that show turnover and vacancy data for the prior 12 months. The accumulation of data on an annual basis is needed because data reported for a single month is not necessarily indicative of ongoing problems or concerns. The distribution of national office reports back to center operators and centers will consist of data only for their respective centers.

6. Facsimile of Form.

A facsimile of the 1 page Form ETA 2110S is found in the Job Corps Forms Handbook; located on the Job Corps Community Website.

7. Detailed Instructions.

Following are detailed instructions for making entries in the various blocks and columns of Form ETA 2110S.

ETA 2110S INSTRUCTIONS/DEFINITIONS

Center Name. Enter the official name used to identify the center in its contract with Job Corps. If this report is for a major component as previously described, enter the component name after the center name e.g., "Pine Top-Utopia Satellite." Use no abbreviations in the Job Corps Center Name. Do not include "Job Corps Center" after the center name.

Current Center Operator. Enter the name of the center operator.

Report for Month Ending. Enter the last day of the calendar month for which the report is being prepared.

Total Center Slot Capacity. Enter the official planned slot capacity of the center as of the last day of the month reported. This must further be broken out in terms of:

Residential Slots vs. Non-residential slots; and
Off-Center Training Slots vs. On-Center Slots (in FTE-full time equivalents)

Columns.

Position Categories. Please refer to the definitions and descriptions in the earlier section on center operations expense categories for an understanding on which positions/job titles are to be reported in which personnel categories.

Notes:

a. Staff funded in expense categories other than Center Operations, (e.g., O/A or CTS) will not be included.

b. Vocational instructors furnished via NTCs (National Training Contractors) are reported separately on line the line so labeled.

FTE Positions Authorized. Enter the current number of funded FTE authorized in each category. This will include all direct center employees of the center, National Contract staff, and subcontractor employees (or contractor employees at CCC's) who perform ongoing functions at the center, which might otherwise be performed by center contractor staff.

Notes:

a. FTE stands for full-time equivalent (e.g., 1 full-time position or 2 half-time positions). Part time staff will be reported as a portion of an FTE, e.g., 0.5 FTE for a staff member who works half the hours required of a full-time position.

b. Substitutes are not included in the Authorized Staff.

c. If an employee works in more than one area such as part time in academics and part time in vocational training, or a secretary is assigned to two departments, the FTE will be allocated to the appropriate category as explained for salary allocation on page 13, "Allocation of Split Duties."

On Board (End of Month). Enter the number of FTE staff on board in each category at the end of the current month. This will include all direct center employees of the center, National Contract staff, and subcontractor employees (or contractor employees at CCC's) who perform ongoing functions at the center, which might otherwise be performed by center contractor staff. Overtime will not be considered when calculating on board FTE. **The maximum FTE for any single staff person will be 1.0.**

Vacancies (End of Month). Enter the number of vacancies at the end of the month for each category and center total. To calculate, subtract "On Board" from "FTE Positions Authorized."