

Attachment B: Spending Categories Targeted for Reductions

Below are non-personnel spending categories the Department of Labor has targeted for cost savings. These categories, which are reflected in the Policy and Requirements Handbook's Appendix 502, were selected to minimize impacts to students and staff. Please note that while the Department anticipates that each spending plan will yield savings in each of these areas, this is not an exhaustive list. Any other cost savings measures should be included in your plan as well.

The Office of Job Corps has provided projected minimum cost savings levels.

Center Operations (Please find OA and CTS operations at the end of this document)
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Line 02-Other Academic Expense. 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 discussions of accrual and vouchering of prepaid items.

Academic Rentals. Includes the cost of facilities and equipment (but not motor vehicles) rented for student academic programs. Rental of driver 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 04-Other Career Technical Training (CTT) Expense. This category consists of all non-personnel expenses that are immediately related to a center's career technical training programs, including the types of expense listed below.

CTT Materials and Supplies. Includes the cost of all materials and supplies (i.e., books, workbooks, testing materials) used in conducting CTT 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.

CTT Services. Includes the cost of contractual services acquired for student CTT, including repair and maintenance of CTT equipment.

CTT Tuition. Includes the cost of tuition for off-center career technical instruction. If the tuition is prepaid, please see later discussions of accrual and vouchering of prepaid items.

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

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

Line 06-Other Career Success Expense. This category consists of all non-personnel expenses that are immediately related to a center's career success program, including the types of expense listed below.

Includes the cost of supplies and materials used in the counseling program, the dormitory supervision program, and any other career success program. Also includes the cost of student incentive programs, including any that focus on academic or CTT 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).

Career Success Services. Includes the cost of contractual services acquired to implement career success programs and activities.

Career Success Rentals. Includes the cost of facilities and equipment rented to carry out career success 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 career success operating expense category but which do not match any of the above examples.

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.

Career Technical Training Clothing. Cost of student special clothing such as work clothes, career technical training uniforms, and protective clothing as discussed in PRH Section 6.5, R1.a-c.

Recreation Clothing. Cost of student recreational clothing.

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.

Child Care Expense. **These costs will usually be reimbursed to the center. These reimbursements should be credited to Line 10.**

- Materials and Supplies. The cost of all supplies, materials, toys, games, diapers, laundry supplies, etc., purchased for the child care 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.
- Child Care Services. Includes the cost of contractual services acquired for the child care program, including repair and maintenance of child care furniture and equipment.
- Child Care Rentals. Includes the cost of facilities and equipment (but not motor vehicles) rented for the child care program.

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 career technical training sites.

Student Lodging Expense. Includes the cost of student lodging expense while on center-sponsored trips, (i.e., academic, career technical training, 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 14-Other CP/CTR Expense. This category consists of all non-personnel expenses that are immediately related to CP/CTR services, including the types of expenses listed below.

CP/CTR Materials and Supplies. Includes the cost of all materials and supplies (i.e., books, workbooks, testing materials) used in conducting CP/CTR 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.

CP/CTR Services. Includes the cost of contractual services acquired for student CP/CTR services, including repair and maintenance of CP/CTR equipment.

CP/CTR Tuition. Includes the cost of tuition for off-center CP/CTR instruction. If the tuition is prepaid, please see later discussions of accrual and vouchering of prepaid items.

CP/CTR Rentals. Includes the cost of facilities and equipment (but not motor vehicles) rented for CP/CTR services.

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

Line 16-Other Administrative Expense. This category consists of all non-personnel expenses that are immediately related to administrative support functions at the center, including the types of expenses listed below.

Office Materials and Supplies. Includes the cost of general office supplies used throughout the center, such as paper, pencils, paper clips, rubber bands, and ink cartridges.

Note: Charge special items used in the academic and career technical 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 Career Technical Training Expense.

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

Office Equipment Rentals. 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 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 allowable costs. 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. Staff 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.2 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
- 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 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 expenses 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.). Include equipment owned by other agencies (e.g., GSA) 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-Career Technical 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 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 expenses listed below.

Supplies and services. The cost of supplies and services required for the performance of this function, such as the center-furnished uniforms, laundering of these items, items issued to new enrollees (i.e., badges, code of conduct, etc.)

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, 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 USPS postage and/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 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 CTST projects. These costs will be charged to Line 35 CTST.
- 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.
- 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, leased vehicles, meals, 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.

Outreach and Admissions and Career Transition Services

Line 2 - Staff Travel/Training Expense. Includes the cost of staff travel, per diem, and miscellaneous expenses in connection with work assignments that involve travel away from the work site.

Line 4 - Media Advertising. Includes the cost of media advertising/promotion, printing, and distribution of materials pertaining to the Outreach/Admissions or CTS/Placement effort.

Line 8-Other Operating Expense. Includes all operating costs associated with the OA or CTS functions that are not assignable to any of the above expense categories or to the GSA Vehicle Rental and Equipment expense categories. Other Operating Expense includes such items as:

Office Materials and Supplies. General office supplies, such as paper, pencils, paper clips, rubber bands, and ink cartridges.

Contracted Office Services. Includes the cost of contractual services required for office administration, such as the cost of subcontracted duplicating and printing services.

Office Equipment Rentals. Includes the rental cost of photocopying and IT equipment.