



August 1, 2018

EIN: 74-2764775

Mr. Randy Townsend
Chief Financial Officer
Texas Workforce Commission
101 E. 15th Street
Austin, TX 78778-0001

Dear Mr. Townsend:

We have reviewed your organization's final indirect cost allocations for fiscal year ended (FYE) August 31, 2017. The Texas Workforce Commission has chosen not to employ an indirect cost rate, but to allocate actual indirect costs monthly using a base of direct personnel service costs in accordance with the Workforce Reporting Accounting and Purchasing System (WRAPS) cost allocation plan (CAP) methodology .

The allocation methodologies delineated in your CAP are hereby approved on a final basis for FYE August 31, 2017. Allocated indirect costs to funding sources are available on the attached schedule.

For FYE August 31, 2018, the use of a new base of direct program hours to allocate actual indirect costs monthly in accordance with the WRAPS cost allocation methodology is approved on a provisional basis. In addition, the new allocation methodology that only allocates specific indirect activities for HR support, payroll, and training benefitting Employment Services field staff is also approved on a provisional basis, using direct program hours as the allocation base. Any additional changes to this cost allocation methodology must receive the prior written approval of the Office of Cost Determination.

Note: The CAP includes a share of state-wide cost allocation plan (SWCAP) costs approved by HHS. The charging of SWCAP costs to Federal programs is based on the prior year's approved SWCAP. This methodology must not change without prior written approval of the Office of Cost Determination .

In addition, your request for a budgetary rate using a base of direct full-time equivalents (FTE' s) has been reviewed. A budgetary rate of indirect costs per FTE is consistent with the use of a base of direct program hours to allocate indirect costs, and a **budgetary rate of \$10,114 per FTE** is approved. This rate is effective from September 1, 2017 through August 31, 2019 and is to be used for planning purposes only. Actual indirect costs are allocated monthly using the approved WRAPS cost allocation methodology.

ETA TEGL 6-05 - TWC submitted a new cost allocation plan (CAP) for TEGL 6-05 which we reviewed and accepted in FY 2014. TWC provided a Certificate of Compliance for FY 2017. TWC certifies that it collects other taxes that are used to fund non-UI Programs. As a result of the execution of its CAP for FYE August 31, 2017, \$52,144 was paid from non-Federal sources.

Based on the new CAP and the Certificate, your organization is deemed compliant with the ETA TEGL requirement.

ETA TEGL 15-09 - TWC submitted a cost allocation plan (CAP) for TEGL 15-09 which we reviewed and accepted in FY 2013. TWC provided a Certificate of Compliance for FY 2017. TWC certifies that less than 100% of the P&I collected was used for the benefit of the UC Program. As a result of the execution of its CAP for FYE August 31, 2017, non-UC share of cost as identified in the plan was \$45,188 and was credited to the UI Appropriation from non-Federal sources. Your organization is deemed compliant with the ETA TEGL requirement.

An indirect cost proposal, based on actual cost for FYE August 31, 2018, and budgetary cost and rate information for FYE August 31, 2019 as well as the proposals containing costs and Certifications for TEGL's 6-05 and 15-09 are due in this office **no later than February 28, 2019**. The proposals must be supported by documentation cited in the enclosed attachments and submitted to:

U.S. Department of Labor
Office of Cost Determination, Room S-1510
200 Constitution Ave, NW.
Washington, DC 20210
ATTN: StephenHobday

If you have any questions, please contact Mr. Stephen Hobday at (202) 693-4110.

Sincerely,

Victor M. Lopez
Director,
Office of Cost Determination



Enclosures (Attachment A and EXHIBITS A, B, and C)

Exhibit A. Checklist to support indirect cost proposal(s).

Exhibit B. Certification of Compliance with TEGL 06-05.

Exhibit C. Certificate of Compliance with TEGL 15-09.

Texas Workforce Commission
 Indirect Cost Allocated by Funding Source
 State Fiscal Year 08/31/17

Attachment A

Federal Agency	CFDA	CFDA Description	Grant Award Number	Indirect Cost
State of Texas	00000			\$ 5,679,427
Department of Agriculture	10.561	St Adm Mtch Grants Supp Nutr	15156TX136S2519	(1)
Department of Agriculture	10.561	St Adm Mtch Grants Supp Nutr	16166TX136S2519	3,370
Department of Agriculture	10.561	St Adm Mtch Grants Supp Nutr	176TX136S2519	70,186
Housing and Urban Development	14.401	Fair Housing Asst Program	EECCN140004	(9,991)
Housing and Urban Development	14.401	Fair Housing Asst Program	FF206DI76004	76,651
Housing and Urban Development	14.401	Fair Housing Asst Program	FF206K136004	(33,398)
Housing and Urban Development	14.401	Fair Housing Asst Program	FF206K146004	45,065
Housing and Urban Development	14.401	Fair Housing Asst Program	FF206K166004	58,573
Department of Labor	17.002	Labor Force Statistics	LM242321475J48	24,304
Department of Labor	17.002	Labor Force Statistics	LM255811575J48	(7)
Department of Labor	17.002	Labor Force Statistics - Pgm Inc	LM255811575J48	89
Department of Labor	17.002	Labor Force Statistics	LM282011775J48	292,013
Department of Labor	17.207	Employment Service	ES246471355A48	174,224
Department of Labor	17.207	Employment Service	ES260471455A48	1,319,789
Department of Labor	17.207	Employment Service	ES275191555A48	1,514, 294
Department of Labor	17.207	Employment Service	ES294401655A48	254,785
Department of Labor	17.225	Unemployment Insurance	UI252331455A48	369,872
Department of Labor	17.225	Unemployment Insurance	UI264221460A48	4,351
Department of Labor	17.225	Unemployment Insurance	UI265631555A48	2,391,335
Department of Labor	17.225	Unemployment Insurance	UI279311555A48	9,847
Department of Labor	17.225	Unemployment Insurance	UI280051655A48	2,036,610
Department of Labor	17.225	Unemployment Insurance	UI298701755A48	6,565, 536
Department of Labor	17.235	Sr Community Svc Empl Program	AD268911555A48	63
Department of Labor	17.235	Sr Community Svc Empl Program	AD287951655A48	199
Department of Labor	17.235	Sr Community Svc Empl Program	UI280051655A48	1,446
Department of Labor	17.245	Trade Adj Assistance - Workers	TA253151455A48	246,383
Department of Labor	17.245	Trade Adj Assi stance - Workers	TA267531555A48	(20 ,276)
Department of Labor	17.245	Trade Adj Assi stance - Workers	TA280791655A48	142,451
Department of Labor	17.258	WIA Adult Program	AA268081555A48	6,285
Department of Labor	17.258	WIA Adult Program	AA283451655A48	516
Department of Labor	17.259	WIA Youth Activities	AA253821455A48	5,272
Department of Labor	17.259	WIA Youth Activities	AA268081555A48	68,972
Department of Labor	17.259	WIA Youth Activities	AA283451655A48	557,860
Department of Labor	17.259	WIA Youth Activities	AA309591755A48	123,124
Department of Labor	17.261	Emp & Training Admin Pilots	MI274241560A48	532
Department of Labor	17.267	WIA Incentive Grants	PI258241455A48	2,994
Department of Labor	17.271	WOTC	ES260471455A48	34
Department of Labor	17.271	WOTC	ES275191555A48	92,326
Department of Labor	17.273	Temp Labor Cert Foreign Wkrs	FL254711455A48	28,271
Department of Labor	17.273	Temp Labor Cert Foreign Wkrs	FL27189155SA48	29,756
Department of Labor	17.273	Temp Labor Cert Foreign Wkrs	FL29116165SA48	13,572
Department of Labor	17.277	WIA National Emergency Grants	EM252541360A48	383
Department of Labor	17.277	WIA National Emergency Grants	EM258781460A48	235
Department of Labor	17.277	WIA National Emergency Grants	EM277041560A48	979
Department of Labor	17.277	WIA National Emergency Grants	EM288581660A48	614
Department of Labor	17.277	WIA National Emergency Grants	EM296021660A48	107
Department of Labor	17.277	WIA National Emergency Grants	EM298201660A48	1,012
Department of Labor	17.278	WIA Disl Worker Formula Grants	AA241211355A48	4,279
Department of Labor	17.278	WIA Disl Worker Formula Grants	AA253821455A48	(1,054)
Department of Labor	17.278	WIA Disl Worker Formula Grants	AA268081555A48	1,939

Federal Agency	CFDA	CFDA Description	Grant Award Number	Indirect Cost
Department of Labor	17.278	WIA Disl Worker Formula Grants	AA283451655A48	4,521
Department of Labor	17.281	WIOA Transiti onal Activities	MI272731560A48	(217)
Department of Labor	17.285	Apprenticeship USA Grants	AP29374165SA48	5,246
Department of Lab or	17.285	Appr entice ship USA Grants	AP300911660A48	13,219
Equal Employment Opportunity Comm.	30.002	Empl Disc St & Local Fai r Empl	EECCN140004	8
Equal Employment Opportunity Comm.	30.002	Empl Disc St & Local Fair Empl	EECCN16009	6,327
Equal Employment Opportunity Comm.	30.002	Empl Disc St & Local Fair Empl	EECCN17009	57,935
Department of Education	84.002	Adult Education-Basic Gr ant	V002AI40044	2,438
Department of Education	84.002	Adult Education-Basic Grant	V002AI50044	42,455
Department of Education	84.002	Adult Education-Basic Grant	V002A160044	176,360
Department of Education	84.126	Vocational Rehabilitati on Grants	HI26AI60092	1,043,249
Department of Education	84.126	Vocat ional Rehabilitation Grants	H126A160093	366,980
Department of Education	84.126	Vocational Rehabilitation Grants	H126A170092	7,928,116
Department of Education	84.126	Vocational Rehabilitation Grants	H126A170093	3,010,602
Department of Education	84.177	Rehabilitation Serv ices	H177B170060	35,146
Department of Health and Human Serv.	93.558	Temporary Asst Needy Families	1701TXTANF	877,362
Department of Health and Human Serv.	93.558	Temporary Asst Needy Families	DHS-TANF-PY16	(3,684.37)
Department of Health and Human Serv.	93.575	Child Care & Develop Block Grt	1501TXCCDF	4,017
Department of Health and Human Serv.	93.575	Child Care & Develop Block Grt	1601TXCCDF	70,971
Department of Health and Human Serv.	93.575	Child Care & Develop Block Grt	1701TXCCDF	749,523
			Grand Total *	36,545,771

* Indirect costs presented in this schedule by grant ID are overhead costs that should have been allocated to each grant based on the approved cost allocation methodology . Adjustments for under/ over-recovery of indirect costs may be needed for close-out purposes based on actual overhead billings and charges.

**Cost Allocation Plan using WRAPS - Checklist
2 CFR 200 - State & Local Governments**

Your indirect cost proposal, based on actual cost for FYE August 31, 2018 and budgetary cost and rate information for FYE August 31, 2019, must be supported by the following documentation:

1. Complete cost policy statement describing all accounting policies and narrating in detail the proposed Cost Allocation Plan. This plan must describe the procedures used to identify, measure and allocate all costs to each benefiting activity. This policy should be signed by an authorized official.
2. Organizational chart (only changes to organizational structure need be submitted after the first year).
3. Financial reports for the applicable fiscal year(s).
4. Cost Allocation Worksheet detailing indirect expenses by function and cost category and reconciled with the financial statements for the applicable fiscal year(s).
 - a. Supporting schedule of direct cost incurred by expense category, identified by specific Government grant, contract, or other non-Government activities.
 - b. Supporting schedule of indirect cost incurred by expense category, identified by specific Government grant, contract, or other non-Government activities.
5. List of all FCATs to include a description of the cost being allocated, the total amount allocated, and the base used.
6. Statement of employee benefits. This document should contain the estimated/actual costs of the benefits earned/paid to employees.
7. Documentation to support the calculation and payment of the SWCAP costs to the State Comptroller's office.
8. Certification signed by a duly authorized official of the organization stating that (1) information contained in the plan was prepared in accordance with 2 CFR 200, (2) the costs have been accorded consistent treatment in accordance with generally accepted accounting principles, (3) an adequate accounting and statistical system exists to support claims that will be made under the plan, (4) the information provided in support of the cost allocation plan is accurate, and (5) all Federally unallowable costs have been excluded from allocations.
9. Certifications for TEG's 6-05 and 15-09 as well as support for the amounts paid from non-Federal sources resulting from the execution of your approved cost sharing plans.

Certificate of Compliance TEGL 06-05

Please complete either A, B, or C, as applicable:

A. ____ I hereby certify that our Agency did not collect any taxes other than the Unemployment Insurance tax during the fiscal period ending _____

B. ____ I hereby certify that our Agency collects other taxes but they are used only for the Unemployment Insurance tax program during the fiscal period ending _____

C. ____ I hereby certify that our Agency does collect other taxes that are used to fund non-UI programs. As a result of the execution of our approved Shared Tax Cost Sharing Plan , \$ _____ was paid from non-federal sources for Fiscal year ending _____

State Workforce Agency Name: _____

Signature of Certifying Official: _____

Printed Name of Certifying Official _____

Title: _____

Date: _____

Phone Number _____

Email Address: _____

**Certification of Compliance with Federal Law
Requirements Related to P&I**

Please complete either A or B, as applicable:

A. I hereby certify that 100% of the P&I collected by this Agency during the fiscal period _____ was used only for the benefit of the Unemployment Compensation (UC) program.

B. I hereby certify that less than 100% of the P&I collected by this Agency was used for the benefit of UC program. As a result of the execution of the cost allocation plan for fiscal year ending _____ non-UC share of costs as identified in the plan was \$ _____ and was credited to the UI Appropriation from non-federal sources:

State Workforce Agency Name: _____

Signature of Certifying Official: _____

Printed Name of Certifying Official _____

Title: _____

Date: _____

Phone Number _____

Email Address: _____