



August 22, 2019

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

EIN: 74-2764775

Dear Mr. Townsend:

We have reviewed your organization's final indirect cost allocations for fiscal year ended (FYE) 8/31/18. 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 program hours 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 8/31/18. Any changes to your cost allocation methodology must receive the prior written approval of the Office of Cost Determination. Allocated indirect costs to funding sources are available on the attached schedule.

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 \$10,998.15 per FTE** is approved. This rate is effective from September 1, 2018 through August 31, 2020 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 2018. 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 FY 2018, \$56,521 was paid from non-Federal sources. Based on the new CAP and the Certificate, your organization is deemed compliant with the ETA TEGL requirement.

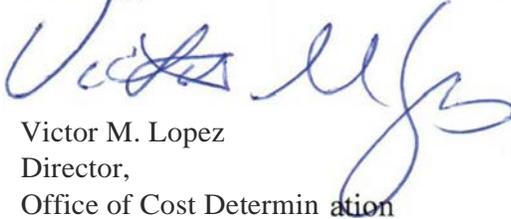
ETA TEGL 15-09 - TWC submitted a cost allocation plan (CAP) for TEGL 15-09 which we reviewed and accepted in FY 2013. TWC provided a Certificate of Compliance for FY 2018. TWC certifies that less than 100% of the P&I collected was used for the benefit of the UC Program. As a result of the execution of its CAP for FY 2018, non-UC share of cost as identified in the plan was \$34,829 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 8/31/19, and budgetary cost and rate information for FYE 8/31/20 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 29, 2020**. 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: Stephen Hobday

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 08/31/18

Attachment A

| Federal Agency                     | CFDA   | CFDA Description                 | Grant Award Number | Indirect Cost |
|------------------------------------|--------|----------------------------------|--------------------|---------------|
| State of Texas                     | 00.000 |                                  |                    | \$ 4,434,401  |
| Department of Agriculture          | 10.561 | St Adm Mtch Grants Supp Nutr     | 176TX136S2519      | 6,644         |
| Department of Agriculture          | 10.561 | St Adm Mtch Grants Supp Nutr     | 1801TXSNAP         | 45,354        |
| Housing and Urban Development      | 14.401 | Fair Housing Asst Program        | FF206D176004       | 69,371        |
| Housing and Urban Development      | 14.401 | Fair Housing Asst Program        | FF206K146004       | 3             |
| Housing and Urban Development      | 14.401 | Fair Housing Asst Program        | FF206K166004       | 9             |
| Housing and Urban Development      | 14.401 | Fair Housing Asst Program        | FF206K186004       | 124,507       |
| Department of Labor                | 17.002 | Labor Force Statistics - Pgm Inc | ES318771855A48     | 586           |
| Department of Labor                | 17.002 | Labor Force Statistics           | LM282011775J48     | 38,214        |
| Department of Labor                | 17.002 | Labor Force Statistics           | LM305501875J48     | 307,896       |
| Department of Labor                | 17.207 | Employment Service               | ES246471355A48     | 90            |
| Department of Labor                | 17.207 | Employment Service               | ES260471455A48     | 16,348        |
| Department of Labor                | 17.207 | Employment Service               | ES275191555A48     | (104,136)     |
| Department of Labor                | 17.207 | Employment Service               | ES294401655A48     | 459,135       |
| Department of Labor                | 17.207 | Employment Service               | ES310151755A48     | 596,448       |
| Department of Labor                | 17.225 | Unemployment Insurance           | UI265631555A48     | 1,124,389     |
| Department of Labor                | 17.225 | Unemployment Insurance           | UI280051655A48     | 2,041,546     |
| Department of Labor                | 17.225 | Unemployment Insurance           | UI298701755A48     | 2,450,143     |
| Department of Labor                | 17.225 | Unemployment Insurance           | UI313201855A48     | 8,856,271     |
| Department of Labor                | 17.235 | Sr Community Svc Empl Program    | AD287951655A48     | 756           |
| Department of Labor                | 17.235 | Sr Community Svc Empl Program    | UI280051655A48     | 3,144         |
| Department of Labor                | 17.245 | Trade Adj Assistance - Workers   | TA267531555A48     | 5,443         |
| Department of Labor                | 17.245 | Trade Adj Assistance - Workers   | TA280791655A48     | 344,838       |
| Department of Labor                | 17.245 | Trade Adj Assistance - Workers   | TA305131755A48     | 79,893        |
| Department of Labor                | 17.258 | WIOA Adult Program               | AA283451655A48     | 3,699         |
| Department of Labor                | 17.259 | WIOA Youth Activities            | AA268081555A48     | (2,369)       |
| Department of Labor                | 17.259 | WIOA Youth Activities            | AA283451655A48     | 53,374        |
| Department of Labor                | 17.259 | WIOA Youth Activities            | AA309591755A48     | 518,658       |
| Department of Labor                | 17.259 | WIOA Youth Activities            | AA322051855A48     | 44,070        |
| Department of Labor                | 17.261 | Emp & Training Admin Pilots      | MI274241560A48     | 15,345        |
| Department of Labor                | 17.271 | WOTC                             | ES275191555A48     | 4,429         |
| Department of Labor                | 17.271 | WOTC                             | ES294401655A48     | 82,851        |
| Department of Labor                | 17.271 | WOTC                             | WT315821855A48     | 27,047        |
| Department of Labor                | 17.273 | Temp Labor Cert Foreign Wkrs     | FL254711455A48     | 56            |
| Department of Labor                | 17.273 | Temp Labor Cert Foreign Wkrs     | FL271891555A48     | 10,583        |
| Department of Labor                | 17.273 | Temp Labor Cert Foreign Wkrs     | FL291161655A48     | 54,160        |
| Department of Labor                | 17.273 | Temp Labor Cert Foreign Wkrs     | FL31673185548      | 17,635        |
| Department of Labor                | 17.277 | WIOA National Emergency Grants   | DW297691660A48     | 24,058        |
| Department of Labor                | 17.277 | WIOA National Emergency Grants   | EM252541360A48     | 134           |
| Department of Labor                | 17.277 | WIOA National Emergency Grants   | EM277041560A48     | 320           |
| Department of Labor                | 17.277 | WIOA National Emergency Grants   | EM288581660A48     | 765           |
| Department of Labor                | 17.277 | WIOA National Emergency Grants   | EM296021660A48     | 9             |
| Department of Labor                | 17.277 | WIOA National Emergency Grants   | EM298201660A48     | 1,434         |
| Department of Labor                | 17.277 | WIOA National Emergency Grants   | EM311411760A48     | 23,879        |
| Department of Labor                | 17.278 | WIOA Disl Worker Formula Grants  | AA268081555A48     | 481           |
| Department of Labor                | 17.278 | WIOA Disl Worker Formula Grants  | AA283451655A48     | 5,906         |
| Department of Labor                | 17.278 | WIOA Disl Worker Formula Grants  | AA309591755A48     | 1,497         |
| Department of Labor                | 17.281 | WIOA Transitional Activities     | MI272731560A48     | 77            |
| Department of Labor                | 17.285 | Apprenticeship USA Grants        | AP293741655A48     | 11,297        |
| Department of Labor                | 17.285 | Apprenticeship USA Grants        | AP300911660A48     | 7,796         |
| Equal Employment Opportunity Comm. | 30.002 | Empl Disc St & Local Fair Empl   | EECCN16009         | 6             |

| Federal Agency                       | CFDA   | CFDA Description                 | Grant Award Number | Indirect Cost |
|--------------------------------------|--------|----------------------------------|--------------------|---------------|
| Equal Employment Opportunity Comm.   | 30.002 | Empl Disc St & Local Fair Empl   | EECCN17009         | 51,271        |
| Department of Education              | 84.002 | Adult Education-Basic Grant      | V002A150044        | 3,840         |
| Department of Education              | 84.002 | Adult Education-Basic Grant      | V002A160044        | 74,894        |
| Department of Education              | 84.002 | Adult Education-Basic Grant      | V002A170044        | 159,732       |
| Department of Education              | 84.126 | Vocational Rehabilitation Grants | H126A160092        | 100           |
| Department of Education              | 84.126 | Vocational Rehabilitation Grants | H126A160093        | 775,881       |
| Department of Education              | 84.126 | Vocational Rehabilitation Grants | H126A170092        | 3,315,036     |
| Department of Education              | 84.126 | Vocational Rehabilitation Grants | H126A170093        | 9,069         |
| Department of Education              | 84.126 | Vocational Rehabilitation Grants | H126A180092        | 11,231,109    |
| Department of Education              | 84.177 | Rehabilitation Services          | H177B160060        | 12,966        |
| Department of Education              | 84.177 | Rehabilitation Services          | H177B170060        | (7,639)       |
| Department of Education              | 84.177 | Rehabilitation Services          | H177B180060        | 106,642       |
| Department of Health and Human Serv. | 93.558 | Temporary Asst Needy Families    | 1601TXTANF         | 76            |
| Department of Health and Human Serv. | 93.558 | Temporary Asst Needy Families    | 1701TXTANF         | 23,976        |
| Department of Health and Human Serv. | 93.558 | Temporary Asst Needy Families    | 1801TXTANF         | 379,498.66    |
| Department of Health and Human Serv. | 93.575 | Child Care & Develop Block Grt   | 1601TXCCDF         | 72            |
| Department of Health and Human Serv. | 93.575 | Child Care & Develop Block Grt   | 1701TXCCDF         | 201,420       |
| Department of Health and Human Serv. | 93.575 | Child Care & Develop Block Grt   | 1801TXCCDF         | 524,524       |
|                                      |        |                                  | Grand Total *      | 38,670,962    |

\* 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, 2019 and budgetary cost and rate information for FYE August 31, 2020, 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 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 TEGL'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: \_\_\_\_\_