

Pennsylvania Department of Labor and Industry (L&I)  
Bureau of Workforce Development Administration (BWDA)

## **Budget Preparation Operational Manual for Grant Applicants**

July 2023

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## Purpose

**This manual provides standardized operational procedures for budget preparation for Pennsylvania Department of Labor & Industry Bureau of Workforce Development Administration (BWDA) Grant Applicants.** It documents business processes to improve process efficiency, aid sustainable knowledge, and help Grant Applicants efficiently prepare and submit their budget as part of the grant application package. By creating this manual, BWDA supplies Grant Applicants with a tool to decrease human error when preparing and submitting their budget.

**Audience:** This document is a guide and reference for all Grant Applicants to prepare and submit a budget and a budget justification as outlined in the Notice of Grant Availability (NGA) on the [L&I Grants website](#).

**How to Use this Document:** It is recommended that Grant Applicants read this manual in its entirety to understand the budget preparation process; however if a Grant Applicant is familiar with grant budget preparation, click the following link [Budget Preparation and Submission](#) to navigate directly to the steps to complete the process.

## Budget Preparation and Submission

To prepare a budget for submission and approval as part of the grant application package, the Grant Applicant must document the projected costs based on the instructions in the Notice of Grant Availability (NGA).

BWDA created the Budget Form as a template to enhance the preparation and submission of a grant's budget. Specifically, the **Budget Summary**, **Budget & Expense Details**, and **Budget Justification** tabs within the Budget Form must be completed. The Budget Summary and Budget & Expense Details tabs document the proposed budget for the grant, while the Budget Justification captures a written narrative to provide detailed information to support a grant's budget. Each of these completed tabs are required for budget approval.

If a grant is awarded to the Grant Applicant, an updated version of the Budget Form (referred to as the Grant Financial Reporting Package) containing the approved budget can be used to track monthly expenses and funding throughout the life cycle of the grant.

### Step 1: Save a Copy of the Budget Form

From the [L&I Grants website](#), download a copy of the specific NGA's Budget Form (listed as an appendix item) and save the file as outlined in the NGA.

### Step 2: Collect Budget Information by Cost Category

To prepare the Budget Form for submission as outlined in the NGA, Grant Applicants should review [Appendix A: Cost Category Definitions & Budget Justification Instructions](#) within this manual. This appendix provides guidance to understand how to document the proposed budget by cost category and how to create a detailed written narrative to support a grant budget.

### Step 3: Complete the Budget Form

Grant Applicants must complete the following tabs in the Budget Form to document the proposed budget for a grant. Detailed instructions to perform these tasks are also included within the Budget Form.

- On the **Budget Summary** tab, enter the **Grantee Name** and **Requested Award** (and if applicable, **Total Leveraged Funds**)
- On the **Budget & Expense Details** tab, enter the **Name**, **Title**, **Salary**, **% to Grant**, **# Years**, and **Fringe %** for each cost category line item included in the grant budget (and if applicable, enter the **Total Amount** for Leveraged Funds by cost category)
- On the **Budget Justification** tab, enter a detailed narrative for each cost category line item and cost identified on the **Budget & Expense Details** tab. Explanations should validate the amount and reason for including the budgeted item within the grant's budget.

**Note:** *Administrative costs cannot exceed 10% of the requested funding*

#### **Step 4: Submit the Budget Form and Budget Justification for Review**

As outlined in the NGA, Grant Applicants need to submit the completed Budget Form (which contains the grant's proposed budget and budget justification) along with the grant application package.

#### **Step 5: Grant Application Package Review**

The grant application package is reviewed, scored, and an award decision is made.

- **If funding is approved**, the Grant Applicant (now referred to as the Grantee) will be notified by an award letter. Once the Grantee has received a fully executed grant agreement and the grant's period of performance begins, the Grantee can begin to incur costs by performing activities funded by the grant.
- **If funding is conditionally approved**, the Grant Applicant (now referred to as the Grantee) will be notified by an award letter stating the conditions that need to be addressed. If any of the conditions in the award letter require a budget modification, refer to the *Modify a Budget Form Quick Reference Guide* to modify and resubmit the Budget Form for review and approval.
- **If funding is not awarded**, the Grant Applicant will be notified.

## Appendix A: Cost Category Definitions & Budget Justification Instructions

A **Cost Category** is a type of cost defined by the [Uniform Guidance – Office of Management and Budget \(OMB\) 2 CFR Part 200](#) to group costs for budgeting and invoicing purposes.

The Cost Categories outlined below are explained in detail in this appendix:

<ul style="list-style-type: none"> <li>• A1 - Administration Staff Salaries &amp; Fringe Benefits</li> <li>• A2 - Administration Operational Costs</li> <li>• A3 - Administration Indirect Costs</li> <li>• B1 - Program Staff Salaries &amp; Fringe Benefits</li> <li>• B2 - Program Operational Expenses</li> <li>• B3 - Other Program Expenses</li> <li>• B4 - Needs Related Expenses</li> <li>• B5 - Supportive Services Funds</li> <li>• B6 - Program Indirect Costs</li> </ul>	<ul style="list-style-type: none"> <li>• C1 - Tuition Payments/Individual Training Accounts (ITAs)</li> <li>• C2 - On the Job (OJT) Reimbursements</li> <li>• C3 - Skill Upgrade and Retraining/Customized Training</li> <li>• C4 - Adult Education and Literacy Training</li> <li>• C5 - Other Training Expenses</li> <li>• C7 - Other Training</li> <li>• C8 - Apprenticeship Training</li> <li>• C9 - Incumbent Worker Training</li> <li>• C10 - Customized Training</li> <li>• C11 - Transitional Jobs Expenditures</li> </ul>
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The tables in this appendix provide descriptions and budget justification instructions for each cost category. Please note the following:

- Not all cost categories are applicable to all grants
- Costs must be adequately documented and consistent with Generally Accepted Accounting Principles (GAAP)
- Budget justification is required for budget approval
- Each line item on the budget form pertains to projected costs and must be explained
- **Administrative costs cannot exceed 10% of the requested funding**
- Refer to [Appendix D: Personally Identifiable Information](#) to protect PII when providing budget justification

<b>A1 – Administrative Staff Salaries &amp; Fringe Benefits</b>	
<b>Description</b>	<b>Budget Justification Instructions</b>
<p>Personnel costs for the following activities:</p> <ol style="list-style-type: none"> <li>1) Accounting, budgeting, financial and cash management functions including procurement and purchasing functions; property management functions; personnel management functions; payroll functions; coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports; audit functions; general legal services functions; developing systems and procedures, including information systems, required for these administrative functions; and fiscal agent responsibilities</li> <li>2) Performing oversight and monitoring responsibilities related to WIOA administrative functions</li> </ol> <p>Fringe Benefits are calculated by establishing an overall fringe benefit percentage that reflects the recipient’s organizational fringe benefit costs.</p> <p><b>Administrative Costs (total of A1, A2, A3) must not exceed the level specified in the NGA (typically 10 percent of the awarded funding).</b></p> <p><i>This Cost Category is for Administrative Fringe Benefits. For Program Fringe Benefits, use Cost Category B1.</i></p>	<p>List all staff positions by title. State the annual salary of each person, the percentage of each person’s time devoted to the project, the amount of each person’s salary funded by the grant, and the total personnel cost for the period of performance.</p> <p>Fringe Benefits can be documented as follows:</p> <ul style="list-style-type: none"> <li>• List of the included fringe benefits</li> <li>• Percentage calculation based on payroll, providing a list of what benefits are included, such as health insurance, FICA, retirement, etc. and the cost for each</li> <li>• A copy of the benefit policy broken out by total or employee cost; total cost should be appropriately allocated to the grant based on allocation methodology</li> <li>• Provide the fringe benefit calculation for each staff position listed under the salary line item</li> </ul>

<b>A2 – Administrative Operational Costs</b>	
<b>Description</b>	<b>Budget Justification Instructions</b>
<p>Administrative Operational Costs are:</p> <ol style="list-style-type: none"> <li>1) Costs of goods and services required for administrative functions of the program, including goods and services such as rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space</li> <li>2) Travel costs incurred for official business in carrying out administrative activities</li> <li>3) Costs of information systems related to administrative functions (for example, personnel, procurement, purchasing, property management, accounting, and payroll systems) including the purchase, systems development, and operating costs of such systems</li> </ol> <p><b>Administrative Costs (total of A1, A2, A3) must not exceed the level specified in the NGA (typically 10 percent of the awarded funding).</b></p> <p><i>This Cost Category is for Administrative Operational Expenses. For Program Operational Expenses, use Cost Category B2.</i></p>	<p>List all administrative operational expenses and corresponding amounts being supported by the grant. List each item in sufficient detail for the grantor to determine that the costs are reasonable, necessary, and allowable (cell phone, rent, utilities, video conferencing services, printing, postage, supplies, staff travel, etc.)</p> <p><b>Supplies:</b> List each item in sufficient detail for the grantor to determine whether the costs are reasonable and allowable. Identify if the supply will remain with participants or if supplies are to remain with program provider for program use. No one supply item is to exceed more than \$5,000. i.e., one laptop cannot exceed \$5,000 for one individual. Items with a unit cost of more than \$5,000 are equipment.</p> <p>Supplies can be purchased using the <b>Micro Purchase Method</b>. Procurement by micro-purchase is the acquisition of supplies or services in which the aggregate dollar amount does not exceed \$10,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-federal entity considers the price to be reasonable.</p>



<b>A3 – Administration Indirect Costs</b>	
<b>Description</b>	<b>Budget Justification Instructions</b>
<p>Indirect costs are defined in the cost principles as those costs incurred for a common or joint purpose, benefiting more than one cost objective, and not readily assignable without a disproportionate effort. Indirect costs are usually recaptured through the application of an indirect cost rate, and the costs are usually accumulated within the organization in an indirect cost pool.</p> <p>The allocation base for indirect costs must ensure equitable distribution to all programs to ensure it meets the benefits received test. The organization should continuously evaluate whether the allocation base elements among all programs is proportionate to the benefits to be received from the indirect costs. The most commonly used indirect cost bases are total direct personnel costs (salaries/wages, plus fringe benefit costs) and modified total direct costs.</p> <p>For most organizations, the indirect cost pool includes costs associated with a number of functions/activities that are not administrative costs under the WIOA definition. The following is the methodology for determining the portion of indirect costs chargeable to the administration and program under cost categories for any given WIOA program.</p> <ol style="list-style-type: none"> <li>1. Review all the costs included in the indirect pool and label them as program or administrative costs based on the WIOA definition.</li> <li>2. Calculate the proportion (percentage) of total costs for each of the two categories.</li> <li>3. Calculate the total dollar amount of indirect costs attributable to the particular WIOA program (i.e., apply the negotiated indirect cost rate to the specified base).</li> <li>4. Apply the percentages calculated in Step 2 to the total dollar amount of indirect costs to establish the dollar amount that is to be recorded/reported as administrative costs and the amount that is program costs for that particular program.</li> </ol> <p><b>Administrative Costs (total of A1, A2, A3) must not exceed the level specified in the NGA (typically 10 percent of the awarded funding).</b></p> <p><i>This Cost Category is for Admin Indirect Costs. For Program Indirect Costs, use Cost Category B6.</i></p>	<p>If charging indirect costs to the grant, this line item must be populated. Include the current approved Negotiated Indirect Cost Rate Agreement signed by the Federal cognizant agency, or a de minimis justification, as an attachment to the narrative. This should only be submitted with the grant application if outlined as an allowable expense.</p>

<b>B1 – Program Staff Salaries &amp; Fringe Benefits</b>	
<b>Description</b>	<b>Budget Justification Instructions</b>
<p>Allowable costs by function specifically on the grant awarded program. Costs include, but are not limited to, the following:</p> <ol style="list-style-type: none"> <li>1) Personnel costs for individuals directly engaged in activities not listed in A1 as administrative activities</li> <li>2) Other personnel costs for individuals whose time has been properly allocated among benefitting cost categories</li> </ol> <p><b>Fringe Benefits</b> are calculated by establishing an overall fringe benefit percentage that reflects the recipient’s organizational fringe benefit costs.</p> <p><b>This Cost Category is for Program Fringe Benefits.</b> For Administrative Fringe Benefits, use Cost Category A1.</p>	<p>List all staff positions by title. State the annual salary of each person, the percentage of each person’s time devoted to the project, the amount of each person’s salary funded by the grant, and the total personnel cost for the period of performance.</p> <p>Fringe Benefits can be documented as follows:</p> <ul style="list-style-type: none"> <li>• List of the included fringe benefits</li> <li>• Percentage calculation based on payroll, providing a list of what benefits are included, such as health insurance, FICA, retirement, etc. and the cost for each</li> <li>• A copy of the benefit policy broken out by total or employee cost; total cost should be appropriately allocated to the grant based on allocation methodology</li> <li>• Provide the fringe benefit calculation for each staff position listed under the salary line item</li> </ul>

<b>B2 – Program Operational Costs</b>	
<b>Description</b>	<b>Budget Justification Instructions</b>
<p>Program Operational Costs are non-personnel, non-administrative costs incurred for the direct purpose of meeting a grant's objectives.</p> <p>Examples of program operational costs include cell phone, rent, utilities, video conferencing services, printing, postage, supplies, staff travel, etc.</p> <p><b>This Cost Category is for Program Operational Expenses.</b> For Administrative Operational Expenses, use Cost Category A2.</p>	<p>List all program operational expenses and corresponding amounts being supported by the grant. List each item in sufficient detail for the grantor to determine the costs are reasonable or allowable.</p> <p><b>Supplies:</b> List each item in sufficient detail for the grantor to determine whether the costs are reasonable and allowable. Identify if the supply will remain with participants or if supplies are to remain with program provider for program use. No one supply item is to exceed more than \$5,000. i.e., one laptop cannot exceed \$5,000 for one individual. List the quantity and unit cost per item. Items with a unit cost of more than \$5,000 is equipment.</p> <p>Supplies can be purchased using the <b>Micro Purchase Method</b>. Procurement by micro-purchase is the acquisition of supplies or services in which the aggregate dollar amount does not exceed \$10,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-federal entity considers the price to be reasonable.</p>

<b>B3 – Other Program Expenses</b>	
<b>Description</b>	<b>Budget Justification Instructions</b>
<p>Costs included in this category should not fit into any other line-item category.</p> <p>For example, costs incurred to meet the objectives of the grant that support the granted entity, such as wages paid to participants for participating in an internship or receiving work experience.</p>	<p>List each item in sufficient detail for the grantor to determine that the costs are reasonable or allowable.</p> <p><b>Equipment:</b> Identify each item of equipment to be purchased which has an estimated acquisition cost of \$5,000 or more per unit and a useful lifetime of more than one year. List the quantity and unit cost per item. Items with a unit cost of less than \$5,000 are supplies.</p> <p>Equipment can be purchased using the <b>Small Purchase Method</b>. All purchases between \$10,000 and \$250,000 can use the “small purchase procedures” as the procedures are “relatively simple and informal.” Price or rate quotations must be obtained from an adequate number (three or more) qualified sources. Quotations can be obtained in writing, listed by contractor price on a website, or generated via an online search.</p>
<b>B4 – Needs-Related Payments</b>	
<b>Description</b>	<b>Budget Justification Instructions</b>
<p>Needs-related payments provide financial assistance to participants for the purpose of enabling them to participate in training and are a supportive service authorized by WIOA sec. 134(d)(3). Unlike other supportive services, in order to qualify for needs-related payments a participant must be enrolled in training.</p>	<p>Provide a needs-related policy or documentation to support the cost of the payment.</p>

<b>B5 – Supportive Services</b>	
<b>Description</b>	<b>Budget Justification Instructions</b>
<p><b>Incentives</b> are permitted for recognition and achievement directly tied to training activities and work experiences. Incentives are Non-Cash Assets (Assets) referring to any item that holds immediate cash value, including but not limited to, gift cards, signed or certified checks, bus passes, gas cards, and bearer bonds. This may also include items purchased that hold no immediate cash value, that were acquired with the intent to issue them as incentives.</p> <p><b>Supportive services</b> are services that are necessary to enable an individual to participate in authorized activities. Supportive services include services such as transportation, childcare, dependent care, housing, and needs-related payments, that are necessary to enable an individual to participate in activities authorized under WIOA. These services may include, but are not limited to, the following:</p> <ol style="list-style-type: none"> <li>1) Linkages to community services</li> <li>2) Assistance with transportation</li> <li>3) Assistance with educational testing</li> <li>4) Reasonable accommodations for individuals with disabilities</li> <li>5) Assistance with uniforms or other appropriate work attire and work-related tools, including such items as eyeglasses and protective eye gear</li> <li>6) Assistance with books, fees, school supplies, and other necessary items for students enrolled in postsecondary education classes</li> <li>7) Payments and fees for employment applications, tests, and certifications</li> </ol>	<p>List types of supportive services in sufficient detail for the grantor to determine that the costs are reasonable, necessary, and allowable. Be sure to include the number of participants for each line item and associated costs; not to exceed a specified cap/maximum per person.</p> <p>The Grant Applicant must have, and submit with the grant proposal, written policies and procedures in place governing the award of supportive services. These need to specify the types of incentives and supportive services allowed, the maximum amount per person, and must ensure that such supportive service payments are:</p> <ol style="list-style-type: none"> <li>(a) Tied to the goals of the specific program</li> <li>(b) Align with the grantee’s organizational policies.</li> </ol>

<b>B6 – Program Indirect Costs</b>	
<b>Description</b>	<b>Budget Justification Instructions</b>
<p>Indirect costs are defined in the cost principles as those costs incurred for a common or joint purpose, benefiting more than one cost objective, and not readily assignable without a disproportionate effort. Indirect costs are usually recaptured through the application of an indirect cost rate, and the costs are usually accumulated within the organization in an indirect cost pool.</p> <p>The allocation base for indirect costs must ensure equitable distribution to all programs to ensure it meets the benefits received test. The organization should continuously evaluate whether the allocation base elements among all programs is proportionate to the benefits to be received from the indirect costs. The most commonly used indirect cost bases are total direct personnel costs (salaries/wages, plus fringe benefit costs) and modified total direct costs.</p> <p>For most organizations, the indirect cost pool includes costs associated with a number of functions/activities that are not administrative costs under the WIOA definition. The following is the methodology for determining the portion of indirect costs chargeable to the administration and program under cost categories for any given WIOA program.</p> <ol style="list-style-type: none"> <li>1. Review all the costs included in the indirect pool and label them as program or administrative costs based on the WIOA definition.</li> <li>2. Calculate the proportion (percentage) of total costs for each of the two categories.</li> <li>3. Calculate the total dollar amount of indirect costs attributable to the particular WIOA program (i.e., apply the negotiated indirect cost rate to the specified base).</li> <li>4. Apply the percentages calculated in Step 2 to the total dollar amount of indirect costs to establish the dollar amount that is to be recorded/reported as administrative costs and the amount that is program costs for that particular program.</li> </ol> <p><i>This Cost Category is for Program Indirect Costs. For Admin Indirect Costs, use Cost Category A3.</i></p>	<p>If charging indirect costs to the grant, this line item must be populated. Include the current approved Negotiated Indirect Cost Rate Agreement signed by the Federal cognizant agency, or a de minimis justification, as an attachment to the narrative. This should only be submitted with the grant application if outlined as an allowable expense.</p>

Cost Category & Description	Budget Justification Instructions
<p><b>C1 – Tuition Payments/Individual Training Accounts (ITAs)</b></p> <p>Training services for eligible individuals are typically provided by training providers who receive payment for their services through an ITA. The ITA is a payment agreement established on behalf of a participant with a training provider.</p>	<p>Facilitator invoice outlining course information, amount, number of participants, and class roster</p> <p>If the work will be subcontracted, please indicate within the budget justification</p>
<p><b>C2 – On-The-Job Training (OJT) Reimbursements</b></p> <p>On-the-job training is training by an employer that is provided to a paid participant while engaged in productive work in a job that:</p> <ol style="list-style-type: none"> <li>1) Provides knowledge or skills essential to the full and adequate performance of the job;</li> <li>2) Made available through a program that provides reimbursement to the employer for the extraordinary costs of providing the training and additional supervision related to the training; and,</li> <li>3) Limited in duration as appropriate to the occupation for which the participant is being trained</li> </ol>	
<p><b>C3 – Skill Upgrade and Retraining/Customized Training</b></p> <p>Customized Training is training that is:</p> <ol style="list-style-type: none"> <li>1) Designed to meet the special requirements of an employer (including a group of employers)</li> <li>2) Conducted with a commitment by the employer to employ an individual upon successful completion of the training; and</li> <li>3) For which the employer pays for the cost of the training</li> </ol>	
<p><b>C4 – Adult Education and Literacy Training</b></p> <p>Adult Education and Literacy Training costs are expenses for approved training costs as outlined in the grant’s objective</p>	
<p><b>C5 – Other Training Expenses</b></p> <p>Other Training expenses are employer outreach and job development activities that may include:</p> <ol style="list-style-type: none"> <li>1) Contacts with potential employers for the purpose of placement of participants</li> <li>2) Participation in business associations (such as chambers of commerce); joint labor management committees, labor associations, and resource centers</li> <li>3) Subscriptions to relevant publications</li> <li>4) Active participation in local business resource centers (incubators) to provide technical assistance to small businesses and new businesses</li> </ol> <p>The development of on-the-job training opportunities</p>	

<p><b>C7 – Other Training</b></p>	
<p>Trainings that do not fall in any of the specific listed categories: On the Job Training, Skill Upgrade and Retraining, Adult Education and Literacy, Apprenticeship, Incumbent Worker, or Customized</p>	
<p><b>C8 – Apprenticeship Training</b></p>	
<p>Apprenticeship training are expenses only for approved registered apprenticeship training costs as outlined in the grant’s objective</p>	
<p><b>C9 – Incumbent Worker Training</b></p>	
<p>Incumbent Worker Training are costs designed to either assist workers in obtaining the skills necessary to retain employment or to avert layoffs and must increase both a participant’s and a company’s competitiveness as outlined in the grant’s objective</p>	
<p><b>C10 – Customized Training</b></p>	
<p>Customized training is training that is:</p> <ol style="list-style-type: none"> <li>1) Designed to meet the special requirements of an employer (including a group of employers)</li> <li>2) Conducted with a commitment by the employer to employ an individual upon successful completion of the training; and</li> <li>3) For which the employer pays for the cost of the training</li> </ol>	
<p><b>C11 – Transitional Jobs Expenditures</b></p>	
<p>Transitional Job Expenditures are used by Local Boards for training services, not exceeding 10% of the funds allocated. These are time-limited work experiences that are subsidized and are in the public, private, or nonprofit sectors for those with barriers to employment, who are chronically unemployed, or have an inconsistent work history. Costs are combined with comprehensive employment and supportive services to establish a work history, demonstrate success in the workplace, and develop the skills that lead to entry into and retention in unsubsidized employment. Transitional jobs require a 100 percent wage subsidy.</p>	

## Appendix B: Roles and Responsibilities

### **PA Department of Labor & Industry (L&I)**

PA Department of Labor and Industry (L&I) administers benefits to unemployed individuals, oversees the administration of workers' compensation benefits to individuals with job-related injuries, and provides vocational rehabilitation to individuals with disabilities. The department prepares job seekers for the global workforce through employment and job training services for adult, youth, older workers, and dislocated workers. In addition, L&I enforces various laws and safety standards in the workplace and administers the commonwealth's programs for community service by young Pennsylvanians.

L&I also promotes economic development and an improved business climate through a variety of initiatives and programs to help Pennsylvania's workforce remain world-class and globally competitive.

### **Bureau of Workforce Development Administration (BWDA)**

The Bureau of Workforce Development Administration (BWDA), a Workforce Partner Agency within L&I, is in charge of managing the public funds for workforce development at the state and subrecipient levels.

Other functions of the BWDA are to:

- Create and manage contractual relationships with all grantees, manage grant projects, process the operating budgets for each of the sixty-two (62) PA CareerLink® sites, and guide and help Local Workforce Development Boards create strategic plans aligned with the governor's goals
- Coordinate the development of policies to ensure regulatory compliance and alignment with agency objectives and evaluate risks, controls, and governance to limit negative effects on the public workforce development system
- Provide local workforce delivery systems objective oversight and monitoring, as well as grant management and audit services

### **Bureau of Workforce Development Administration (BWDA) Fiscal and Grants Division**

This division within BWDA is responsible for the creation and execution of contractual grant agreements and funding commitments between the workforce deputation and its nearly 300 sub-recipients. BWDA Fiscal and Grants Division operations staff are responsible for reviewing the budget, invoice, and supporting documentation to review and approve invoices in the Commonwealth Workforce Development System (CWDS).

Other functions of the BWDA Fiscal and Grants Division are to:

- Ensure proper internal controls for workforce fund management, managing the workforce deputation's budgets and actual costs for federal and state funds
- Develop state-appropriation budgets, manage competitive grant projects, review, and process grantee invoices for payment, and coordinate the state-wide workforce audit
- Review and approve single audits at the sub-recipient level, approve sub-recipient budgets, provide technical assistance related to workforce funding, and monitor compliance with fiscal requirements outlined in the Workforce Innovation and Opportunity Act



- Provide related fiscal support for program staff and managers and required fiscal reporting

### **Grant Applicant**

A Grant Applicant is an organization or agency that responds to an NGA by completing a grant application to apply for grant funding. Grant Applicants need to prepare and submit the Budget Form as part of the grant application package.

### **Grantee**

A Grantee is an organization or agency that has applied for and been awarded grant funding.

### **Local Workforce Development Board (LWDB)**

Local Workforce Development Boards (LWDB) are county-wide or regional workforce development areas. Local Providers are governed by a Local Workforce Development Board (LWDB). Functions of the LWDB in managing the Local Providers are:

- Direct federal, state, and local funding to workforce development programs. Every community in Pennsylvania is associated with a LWDB. LWDBs develop workforce and regional strategies as well as conduct and publish research on their regional economy's needs.
- LWDBs provide oversight and coordination of the workforce services provided in their region and the overall operation of the storefront delivery of these services at PA CareerLink® locations. For each LWDB, a chief elected official (a county commissioner or the mayor of a major city) appoints members to the LWDB.
- A majority of the LWDB's membership must come from private businesses. There are also designated seats for representatives of labor and educational institutions, such as community colleges.

### **Provider**

A Provider is defined as an organization or agency that provides Workforce services to jobseekers. All providers applying for or receiving grant funding fall into one of two categories:

1. Local Providers
2. Providers not part of a LWDB

## Appendix C: Policy, Rules, and Guidelines

Below is a list of links to regulations, policies and other helpful information related to the operational procedures documented in this manual:

- [L&I Grants](#)
- [Workforce System Policy](#)
- [Financial Management Guide](#)
- [Pennsylvania's Workforce System of Record Policy](#)
- [Training and Employment Guidance Letter \(TEGL\) No. 39-11, Guidance on Handling and Protection of Personally Identifiable Information \(PII\)](#)

## Appendix D: Personally Identifiable Information (PII)

Per the Commonwealth of PA [Financial Management Guide](#), Personally Identifiable Information (PII) is defined as:

Information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Some information that is considered to be PII is available in public sources such as telephone books, public Web sites, and university listings. This type of information is considered to be Public PII and includes first and last name, address, work telephone number, email address, home telephone number, and general educational credentials. The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made available publicly, in any medium and from any source, that when combined with other available information could be used to identify an individual.

To maintain PII confidentiality throughout the process of submitting Commonwealth of PA Workforce Development financial management information, the following best practices should be followed:

- No more than 1 (one) Personal Identifiable Information (PII) element should be included in supporting documentation (i.e., paystubs) submitted with Budget or Invoice worksheets.
- Additional PII elements from documents should be redacted to maintain confidentiality.

If you have additional questions or concerns around the requirements or maintenance of Personal Identifiable Information (PII), please contact BWDA Fiscal Operations ([RA-LIBWDA-FISCALOPS@pa.gov](mailto:RA-LIBWDA-FISCALOPS@pa.gov)).

## Appendix E: Tools and Resources

The following tools and resources are available to assist with the budget preparation and submission process:

### Budget Form

The Budget Form is a collection of interconnected financial spreadsheets Grant Applicants use to prepare and submit grant budgets as outlined in the NGA. Instructions for the Budget Form are included within the file itself and are referenced in this manual.

The following table identifies the tabs within the Budget Form and their purpose:

Budget Form tab	Purpose
Budget Preparation Instructions	Provides guidance on how to complete the Budget Form
Budget Summary	Provides an overview of the entire budget for the grant
Budget & Expense Details	Captures detailed budget information by cost category line item for the grant
Budget Justification Instructions	Provides guidance to complete the Budget Justification tab
Budget Justification	Captures written narratives by cost category to support the grant budget

This manual provides operational guidance on the requirements, considerations, and best practices for completion of the Budget Summary, Budget & Expense Details, and Budget Justification tabs within the Budget Form.

### Budget Justification

A Budget Justification is a written narrative that provides detailed information to support a grant budget. A Budget Justification is required for budget approval.

### Commonwealth Workforce Development System (CWDS) and PA CareerLink®

The Commonwealth Workforce Development System (CWDS) is the Commonwealth's official system of record for workforce development reporting to the US Department of Labor. CWDS provides a shared data system for delivering, tracking, and reporting workforce development, employment, training, and independent living services that are provided by approximately 8,000 Bureau of Workforce Partnership Operations (BWPO) and multiple Pennsylvania State Agencies and Bureaus – commonly referred to as Workforce Partnering Agencies (WPAs).

CWDS operates by providing program area staff with the case management tools and functionality for delivering their programs. Incorporated features also include functions for tracking program performance and outcomes. End users for CWDS includes a self-service component for citizen users, employers, and providers.

CWDS also includes a self-service portal (PA CareerLink®) for citizen users, employers, and training providers. PA CareerLink® is a delivery system for employment, training, and education services in Pennsylvania.

### **Fully Executed Grant Agreement**

A Fully Executed Grant Agreement (signed and finalized) is the legally-binding contract between a Grantee and the PA Department of Labor and Industry for the purposes of carrying out Pennsylvania workforce development services pursuant to the Workforce Innovation and Opportunity Act (WIOA), the Wagner-Peyser Act, the Trade Act, and other applicable federal and state programs, and in accordance with any laws, regulations, and guidelines covering those programs and any policies provided and established by the Department.

### **Grant Agreement Package**

The Grant Agreement Package is a collection of documentation a Grantee receives (formerly referred to as the Grant Application Package) from BWDA Grant Services after applying for grant funding. The receipt of this package, along with an Approval Letter, notifies the Grant Applicant that they have been approved for grant funding.

### **Grant Application Package**

The Grant Application Package is a collection of documentation a Grant Applicant must complete when applying for grant funding based on the information provided in a Notice of Grant Availability. BWDA Grant Services will score the grant application package to determine if the grant application is approved, conditionally approved, or not awarded funding.

### **Notice of Grant Availability (NGA)**

A Notice of Grant Availability is a public notification with instructions for Grant Applicants to follow to apply for grant funding for the purposes of carrying out Pennsylvania workforce development services pursuant to the Workforce Innovation and Opportunity Act (WIOA), the Wagner-Peyser Act, the Trade Act, and other applicable federal and state programs, and in accordance with any laws, regulations, and guidelines covering those programs and any policies provided and established by the PA Department of Labor and Industry.

## Appendix F: List of Abbreviations and Terminology

Abbreviation	Terminology
BWDA	Bureau of Workforce Development Administration
BWPO	Bureau of Workforce Partnership and Operations
CWDS	Commonwealth Workforce Development System
DOL ETA	US Department of Labor, Employment and Training Administration
FICA	Federal Insurance Contribution Act
FMG	Financial Management Guide
ITA	Individual Training Account
L&I	Labor & Industry
LWDA	Local Workforce Development Area
LWDB	Local Workforce Development Board
NGA	Notice of Grant Availability
PDF	Portable Document Format
PII	Personally Identifiable Information
SAP	Systems Applications and Products in Data Processing
WIOA	Workforce Innovation and Opportunity Act
WPA	Workforce Partnering Agency