COLORADO
Department of Labor and Employment

Workforce Development Programs
633 17th Street, Suite 700
Denver, CO 80202

Category/Subject: Use of Federal Funds for Outreach, Advertising, Public Relations, and Informational Activities
Colorado Policy Guidance Letter#: FIN-2010-01 (prior #10-10-WP Revised)
Revise/Replace: PGL #10-10-WP
Date: August 6, 2013
Distribution: Workforce Development Management and Staff, Workforce Region Directors and Staff, Fiscal Staff, Audit Staff

Yellow Highlighted Items Have Been Added or Changed

I. REFERENCE(S):

Title I of the Workforce Investment Act (WIA) of 1998; WIA Final Rules - 20 CFR Part 652, et al., published at 65 Fed. Reg. 49294 (August 11, 2000); Wagner-Peyser Act of 1933 as amended by Title III of the Workforce Investment Act (WIA) of 1998; 20 CFR 652.8 State Employment Service System Administrative Provisions; OMB Circulars A-87, A-21, A-122 (codified at 2 CFR 225, 2 CFR 220, and 2 CFR 230, respectively), and 48 CFR Chapter 31; US Department of Labor-ETA-Region IV Financial Management Bulletin R4FMB No. 02-10.

II. PURPOSE:

To provide updated information and guidance for the Workforce Regions regarding the use of WIA, Wagner-Peyser and other federal funds for outreach, advertising, public relations, and informational activities. Recently, supplemental guidance was created to further assist regions when deciding between the use of Federal funds or non-federally funded sources to pay for the costs of outreach and advertising materials. This supplemental guidance includes additions to the PGL, a Decision Tree Model (**Attachment 3**) and a Questions and Answers document **(Attachment 4)** that supports and explains how to interpret the Decision Tree Model.

III. BACKGROUND:

In 1995 and in May 2004, OMB Circulars A-87, A-21, and A-122 (which govern allowable and non-allowable costs for state and local governments, informational institutions, and non-profit organizations, respectively, which receive Federal grant funds) were modified to include additional provisions restricting the use of such funds for advertising and promotional activities. In 2000 CDLE issued PGL #00-27-WP1 to address the most recent interpretation of the A-87 circular as it applied to the Wagner-

Peyser program. Because of the 2004 changes, recent audit findings, and ongoing state and local initiatives, CDLE is issuing a revised PGL that encompasses the use of WIA and Wagner-Peyser funds for outreach, advertising, public relations and informational activities. **These terms will be used in place of marketing or promotional activities, which are not considered to be appropriate uses of these funds.**

IV. POLICY/ACTION:

The State's policy regarding use of funds for outreach, advertising, public relations and informational activities is based on the provisions of OMB Circulars A-87, A-21, and A-122, (codified at 2 CFR 225, 2 CFR 220, and 2 CFR 230, respectively), plus the Wagner-Peyser law and Wagner-Peyser regulations **(see Attachment 1**), and interpretations of the Circulars that have been provided by the US Department of Labor **(see Attachment 2).** Regions should apply this policy to all federally-funded grants that they receive from CDLE. The following explains the allowable and non-allowable uses of these funds:

A. <u>Allowable and Non-Allowable Costs</u>

1. Costs of outreach, advertising, public relations and informational activities that are consistent with the provisions of WIA, the Wagner-Peyser Act, TAA, veterans or other legislation, or are specified in the requirements of a Federal grant, may be allowable. Such activities may include:

- Advertising (see A.4 below for additional detail)
- Costs of renting a booth at a job fair, career fair, or business-to-business expo
- Costs of seminars, roundtables, and conferences that inform or train participants regarding workforce related topics, and may also allow staff to offer the services of the workforce system to potential customers
- Staff participation in outreach, advertising, public relations and informational activities

2. Costs of outreach, advertising, public relations, and informational activities may be allowable when:
   - Specifically required by the federal award and then only as a direct cost
   - Incurred to communicate with the public and press pertaining to specific activities or accomplishments that result from the performance of the Federal award, and then only as a direct cost; or
   - Necessary to conduct general liaison with news media and government public relations officers, to the extent that such activities are limited to communication needed to keep the public informed on matters of public concern such as notices of Federal contracts/grant awards, plans and waivers, financial matters, etc.

3. Costs of any giveaways such as portfolios, flash drives, CDs, shirts, etc, that are produced or purchased with federal funds will be subject to audit and may be allowable only under limited circumstances. Regions are encouraged to find non-federal resources to pay for giveaway items, or seek donations of these items by partners. Any giveaway items paid for with federal funds must be intended for the use of staff or partners in the conduct of business, or for business or job seeker customers as part of program recruitment, participation, or follow-up. Under no

circumstances may these items be intended solely for personal use. In addition, costs of promotional items and memorabilia, including models, gifts, and souvenirs are unallowable.

4. Advertising for the recruitment of staff, recruitment for job openings listed with the workforce center, recruitment for program participants, outreach, labor market information, the procurement of goods and services for the programs and grants, and the disposal of surplus materials purchased with grant funds, are allowable. However, advertising costs associated with the disposal of surplus materials are not allowable where all disposal costs are reimbursed based on a standard rate as specified in the grants management common rule.

B. Additional Requirements

1. Outreach, advertising, public relations, and informational products and activities must highlight the programs or services provided by the grants, but can**not** focus on an organization including workforce centers, a governmental agency, a business, a partner or sub-contractor, or any other service provider.

2. All advertising, signs, materials, and giveaways that are produced or purchased with federal funds must acknowledge the program or source of funds used to pay for them (Ex: "Funded by the American Recovery and Reinvestment Act" or "Supported by the WIA Dislocated Worker Program"), and must contain program information such as dislocated worker services, employer services, etc. to the extent that space is available.

3. Pens, pencils, pads of paper and similar items should be considered as supplies, rather than outreach materials. These may have the name and/or the logo of the organization as long as the cost of adding that information is not significantly different from the cost of the supplies unmarked, and those supplies are used only for the conduct of grant business.

Regions must have good, clear supporting documentation for all costs associated with outreach, advertising, public relations, and informational activities. Good, clear supporting documentation would be defined as documentation that establishes that the expenditure meets the cost principles (is necessary and reasonable for proper and efficient performance and administration of the grant; is allocable to the grant based upon benefits received; is authorized or not prohibited under State or local laws or regulations; conforms to any limitations or exclusions set forth in the principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items; is consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the organization; is accorded consistent treatment; is net of all applicable credits.

V. IMPLEMENTATION DATE:

Upon receipt of this Program Guidance Letter.

VI. INQUIRIES:

Please contact your State Fiscal Monitor in the CDLE Business Operations unit with any questions you may have.

Elise Lowe-Vaughn, Director Workforce Programs, Policy, and Strategic Initiatives	Mike Widner, Internal Audit Manager Business Operations

ATTACHMENT 1: Excerpts from the OMB Circular A-87, Wagner-Peyser Act, and Wagner-Peyser Regulations

ATTACHMENT 2: USDOL-ETA Region IV Financial Management Bulletin R4FMB No. 02-10

ATTACHMENT 3: Decision Tree Model

ATTACHMENT 4: Questions and Answers