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Category:	Wagner-Peyser
Subject#:	Use of Funds for Advertising and Promotional Activities
Source:	Federal/State
Revise/Replace:	
Contact:	Employment and Training Programs Director
Distribution:	Managers, Employment & Training Staff, Workforce Region Directors, Fiscal
Colorado One-Stop System Policy Guidance Letter#:	00-27-WP1
Date:	October 30, 2000

I. REFERENCE(S):

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 Circular A-87.

II. PURPOSE:

To provide information and guidelines for Workforce Regions regarding the use of Wagner-Peyser funds for public relations, advertising and promotional activities.

III. BACKGROUND:

In 1995 OMB Circular A-87, which governs allowable and nonallowable costs for state and local governments receiving Federal grant funds, was modified to include provisions restricting the use of Federal grant funds for advertising and promotional activities. At that time the Colorado Department of Labor and Employment (CDLE) adopted a policy for the Wagner-Peyser program that was a direct reflection of the changes in the OMB Circular.

Recent questions from workforce region staff have prompted CDLE to readdress the issue of using Wagner-Peyser funds for public relations, advertising, and promotional activities. CDLE staff have researched this issue by reviewing the Wagner-Peyser law and regulations, and contacting the regional office of USDOL for additional guidance.

Attached are excerpts from the law, the regulations, and the OMB Circular that

reference the use of grant funds for advertising and promotions. CDLE's understanding from USDOL guidance is that the law and regulations governing a specific grant and defining what costs are allowable take precedence over the general provisions of the OMB Circular. As a result, the state's policy on allowable costs for Wagner-Peyser funds is being modified.

IV: POLICY/ACTION:

The state's policy on allowable Wagner-Peyser costs for public relations, advertising, and promotional activities is as follows:

- Costs of promotional and informational activities that are consistent with the provisions of the Wagner-Peyser Act, and which describe Wagner-Peyser services offered by local workforce centers, job openings listed with the workforce centers, or labor market information, are allowable. Such activities may include:
 - Advertising;
 - Promotional signs, materials and other items;
 - Renting a booth at a job fair or business-to-business expo; or
 - Staff participation in promotional activities;
- Costs of public relations activities are 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 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 and liaison necessary to keep the public informed on matters of public concern, such as notices of Federal contract/grant awards, financial matters, etc.
- Costs of advertising for the recruitment of Wagner-Peyser staff, the procurement of goods and services for the Wagner-Peyser program, and the disposal of surplus materials purchased with Wagner-Peyser 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.

V. IMPLEMENTATION DATE:

Immediately.

VI. INQUIRIES:

Please direct all inquiries to your Program Support Representative at Employment and Training Programs.

Robert D. Hale, Director
Division of Employment & Training

Attachment

EXCERPT FROM OMB CIRCULAR A-87**2. Advertising and public relations costs.**

a. The term “advertising costs” means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television programs, direct mail, exhibits, and the like.

b. The term “public relations” includes community relations and means those activities dedicated to maintaining the image of the governmental unit or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.

c. Advertising costs are allowable only when incurred for the recruitment of personnel, the procurement of goods and services, the disposal of surplus materials, and any other specific purposes necessary to meet the requirements of the Federal award. 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.

d. Public relations costs are allowable when:

- (1) Specifically required by the Federal award and then only as a direct cost;
- (2) Incurred to communicate with the public and press pertaining to specific activities or accomplishments that result from performance of the Federal award and then only as a direct cost; or
- (3) Necessary to conduct general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notices of Federal contract/grant awards, financial matters, etc.

e. Unallowable advertising and public relations costs include the following:

- (1) All advertising and public relations costs other than as specified in subsections c. and d.;
- (2) Except as otherwise permitted by these cost principles, costs of conventions, meetings, or other events related to other activities of the governmental unit including:
 - (a) Costs of displays, demonstrations, and exhibits;
 - (b) Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with show and other special events; and
 - (c) Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefing;
- (3) Costs of promotional items and memorabilia, including models, gifts, and souvenirs; and
- (4) Costs of advertising and public relations designed solely to promote the governmental unit.

EXCERPT FROM THE WAGNER-PEYSER LAW

SEC. 13.(b)(2) No funds paid under this Act may be used by any State for advertising in newspapers for high paying jobs unless such State submits an annual report to the Secretary beginning in December 1984 concerning such advertising and the justifications therefore, and the justification may include that such jobs are part of a State industrial development effort.

EXCERPT FROM THE WAGNER-PEYSER REGULATIONS**20 CFR Part 600-699**

652.8 (c) (4) Cost of promotional and informational activities consistent with the provisions of the Act, describing services offered by employment security agencies, job openings, labor market information, and similar items are allowable.