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**DEPARTMENT OF LABOR AND EMPLOYMENT
WORKFORCE DEVELOPMENT PROGRAMS**

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Category: Workforce Investment Act/Wagner-Peyser
Subject: Use of Funds for Outreach, Advertising, Public Relations, and Informational Activities
Source: Federal/State
Revise/Replace: PGL #00-27-WP1
Contact: Clarke D. Becker, Director, Workforce Development Programs
Distribution: Workforce Development Management and Staff, Workforce Region's Directors and Staff, Fiscal Staff
Colorado One-Stop System Policy Guidance Letter#: 10-10-WP
Date: May 26, 2010

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, and 48 CFR Chapter 31; US Department of Labor-ETA-Region IV Financial Management Bulletin R4FMB No. 02-10.

II. PURPOSE:

To provide information and guidance for the Workforce Regions regarding the use of WIA and Wagner-Peyser funds for outreach, advertising, public relations, and informational activities.

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, that 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 new 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, 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. Allowable and Non-Allowable Costs

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 pens, pencils, portfolio pads, 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.

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 activities may highlight the programs or services provided by the grants, but may 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. Regions must have good, clear supporting documentation for all costs associated with outreach, advertising, public relations, and informational activities.

V. IMPLEMENTATION DATE:

Upon receipt of this Program Guidance Letter.

VI. INQUIRIES:

Please contact your State Workforce Liaison at Workforce Development Programs with any questions you may have.

Clarke D. Becker, Director
Workforce Development Programs

ATTACHMENT 1: Excerpts from the OMB Circular A-87, Wagner-Peyser Act, and Wagner-Peyser Regulations (**see next two pages**)

ATTACHMENT 2: USDOL-ETA Region IV Financial Management Bulletin R4FMB No. 02-10 (**see separate attachment**)

EXCERPT FROM OMB CIRCULAR A-871. 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, direct mail, exhibits, electronic or computer transmittals, 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. The only allowable advertising costs are those which are solely for:
 - (1) The recruitment of personnel required for the performance by the governmental unit of obligations arising under a Federal award;
 - (2) The procurement of goods and services for the performance of a Federal award;
 - (3) The disposal of scrap or surplus materials acquired in the performance of a Federal award except when governmental units are reimbursed for disposal costs at a predetermined amount; or
 - (4) Other specific purposes necessary to meet the requirements of the Federal award.
- d. The only allowable public relations costs are:
 - (1) Costs specifically required by the Federal award;
 - (2) Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of Federal awards (these costs are considered necessary as part of the outreach effort for the Federal award); or
 - (3) Costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary keep the public informed on matters of public concern, such as notices of Federal contract/grant awards, financial matters, etc.
- e. Costs identified in subsections c and d if incurred for more than one Federal award or for both sponsored work and other work of the governmental unit, are allowable to the extent that the principles in Attachment A, sections E. ("Direct Costs") and F. ("Indirect Costs") are observed.
- f. Unallowable advertising and public relations costs include the following:
 - (1) All advertising and public relations costs other than as specified in subsections c, d, and e;
 - (2) Costs of meetings, conventions, convocations, 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 shows and other special events; and
 - (c) Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;
 - (3) Costs of promotional items and memorabilia, including models, gifts, and souvenirs;
 - (4) Costs of advertising and public relations designed solely to promote the governmental unit.

EXCERPT FROM THE WAGNER-PEYSER ACT

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.