

**I. Budget**

Insert Budget Narrative Workbooks Summary tab contract budget table here

**II. Expenditure Restrictions**

**A. Expenditure Period**

These funds may only be expended between [start date] and [end date].

**B. Cost Reimbursement**

This Agreement is based on a cost-reimbursement method of payment.

**C. Indirect Rate**

The Indirect Cost Rate agreed upon is XX.XX percent and applies to Modified Direct Costs -or- Personnel, Operating and Participant Expense costs.

**D. Prohibited Use of Funds**

CONTRACTOR will ensure that these funds are not spent on the following items, which are addressed by WIOA and will be subject to Federal and State rules:

- 1) Public service employment, except to provide disaster relief employment, as specifically authorized in WIOA and under a special Federal disaster relief assistance grant.
- 2) Expenses prohibited or unallowable under any other Federal, State or local law or regulation, including foreign travel.
- 3) General economic development and related employment generating activities.
- 4) Capitalization of businesses.
- 5) Investment in Contract Bidding Resource Centers.
- 6) Investment in revolving loan funds.
- 7) Drug testing except to facilitate the hiring process.
- 8) The wages of incumbent employees during their participation in training when funded by WIOA.
- 9) Costs associated with general agency fund-raising activities are not allowable.
- 10) Program Administration costs are not allowable to Community Development Block Grant (CDBG) funds.
- 11) Food costs are not allowable to City of Portland General Funds or CDBG funds.

**E. Budget Line Flexibility**

Budget Line Flexibility applies separately to each fund shown within the budget. Allowable over-expenditures in a budget line item or category for one funding source may not be transferred from any other unexpended/under-expended budget line item(s) or category in another funding source without a formal budget modification.

- 1) Expenditures by Fund may not exceed Fund budget total(s). Fund expenditures must be used to provide services to participants eligible for and enrolled in the Funds program(s).
- 2) Indirect Cost expenditures may not exceed the Indirect line item budget.
- 3) Subcontract expenditures may not exceed the Subcontract line item budget.
- 4) Contract budget line flexibility applies separately to each fund in the contracted budget. Allowable over-expenditures in a budget line item or category for one Funding Source may not be transferred from any other unexpended/under-expended budget line item(s) or category in another Funding Source without a formal budget modification.
- 5) Over-expenditure of up to 25 percent of the Participant Expense budget total are allowable without a formal budget modification and may be transferred from any other unexpended/under-expended budget line item(s).
- 6) Over expenditure of up to 25 percent of the Personnel or Operating budget totals are allowable without a formal budget modification and may be transferred from any other unexpended/under-expended budget line item(s) except Participant Expense.
- 7) Worksystems' WorkSource Services Manager may approve a transfer of up to 10 percent of the total Participant Expense budget to the Personnel or Operating budget(s) within an individual fund. CONTRACTOR must make the request in writing (email is considered a written request) in advance of expenditures and must include sufficient

documented justification for the change(s) based on program objectives. Approval must be received in writing from the Manager.

- 8) Expenditures for Participant Cost line items are not restricted by individual line item budgets.
- 9) Formal budget modifications may be granted by Worksystems on written request from the CONTRACTOR provided there is sufficient justification documented for the change(s) based on program objectives.

**F. Purchase and Maintenance of Equipment**

Equipment or capital outlays may not be purchased with funds provided under this Contract.

**G. Salary and Bonus Limitations**

In compliance with Public Law 109-234 and section 111 of the Omnibus Appropriations Act 2009 (Public Law 111-8), none of the funds appropriated under the heading 'Employment and Training' that are available for expenditure on or after June 15, 2006, shall be used by CONTRACTOR to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II. The salary and bonus limitation does not apply to vendors providing goods and services as defined in OMB Circular A-133. Reference DOL TEGL 5-06 for further clarification. Federal and State rules implementing the Workforce Innovation and Opportunity Act (WIOA) shall also apply.

**H. Responsibility for Cost Reduction**

For activities funded under this Agreement, the CONTRACTOR shall identify training costs supported by other Federal, State, or local programs in order to ensure that these federal funds are in addition to funds otherwise available.

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