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and Workforce Investment Act (WIA) funds to pay for background checks required by employers before hiring a program participant?

I.13 Response

Yes. Although not specifically addressed by statute, regulation, or rule, the use of SNAP E&T, TANF, and WIA funds to pay for background checks required by employers before hiring a program participant is consistent with the intent of the laws, to the extent that:

- it is the employer's normal business practice to require potential employees to pay such costs;
- the costs are necessary and reasonable in accordance with Uniform Grant Management Standards (UGMS), Part II, Attachment A, (C)(1)(a) and (C)(2); and
- the costs are allocable to federal or state awards under UGMS, Part II.

Note: TANF funds may only be used to pay for such costs to the extent that the conditions above are met and no other resources are available.

I.14 Profit in Wagner Peyser Contract (12/5/2003)

Is profit allowable under Wagner Peyser? If so, what is the limit?

I.14 Response

Yes, subject to the applicable administrative provisions at 29 CFR Part 97, a fair and reasonable profit is allowable for commercial (for-profit) organizations under Wagner Peyser. In accordance with 29 CFR §97.36(f)(2), profit must be negotiated, "...as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work."

The provisions do not specify a fixed limit or ceiling for the amount of profit that is considered fair and reasonable; however, industry profit rates for similar work, referred to in 29 CFR §97.36(f)(2) above, are generally limited to 10 percent of the contract's estimated cost, excluding fee. The 10 percent amount is also consistent with the provisions of the Federal Acquisition Regulation (FAR) at 48 CFR 15.404-4(c)(4)(i)(C) although the FAR should only be referenced as guidance since the provisions are generally not applicable to Wagner Peyser contracts made by grantees or subgrantees.

I.15 Job Fair Food Costs (11/3/2011)

Our local workforce development board (Board) is hosting a job fair. Approximately 75 employers will participate, with each employer typically providing two or more representatives. Workforce center staff will also be on site to help ensure that things go smoothly, help customers with resumes, provide certain job readiness services, and assist customers with enrollment in

X. TWC Responsibilities

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Currently no questions or responses.

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Texas Workforce Commission

Fiscal Technical Assistance Questions and Answers



U.4	Subrecipient/Vendor Determination for Training Project	2/27/2012	Special update; response issued 11/3/2011.
V.6	Refer a Friend Incentive Program	2/27/2012	Regular update; response issued 1/30/2012.
V.7	Participant Eligibility and Job Access and Reverse Commute Federal Match	4/13/2012	Special update; response issued 9/9/2011.
V.8	Youth Incentive for Achievement	4/13/2012	Regular update; response issued 3/20/2012.
V.9	Youth Incentive for Attendance	6/21/2012	Regular update; response issued 4/18/2012.
V.10	Participant Wages and State Unemployment Tax	6/21/2012	Regular update; response issued 4/18/2012.
W.10	Distinction between Non-Overnight Meal Expenses and Meeting Meals for State Merit Staff	4/13/2012	Special update; response issued 8/12/2011.
W.11	Board Member Reimbursement of Certain Travel Costs with Use of Frequent Flyer Miles	4/13/2012	Special update; response issued 10/7/2011.
W.12	Hotel Tax Exemptions	6/21/2012	Regular update; response issued 3/1/2012.

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