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ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 14-09

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS
STATE WORKFORCE ADMINISTRATORS
STATE AND LOCAL WORKFORCE INVESTMENT BOARDS
ALL YOUTHBUILD GRANTEEES

FROM: JANE OATES *Jane Oates*
Assistant Secretary

SUBJECT: MENTAL TOUGHNESS/ORIENTATION ALLOWABLE COSTS IN A YOUTHBUILD PROGRAM

1. **Purpose.** To provide clarification on allowable costs associated with Mental Toughness/Orientation activities under the YouthBuild Program
2. **References.** Workforce Investment Act of 1998 (WIA) 20-C.F.R. 662.220
3. **Background.** Many YouthBuild programs conduct "Mental Toughness" or Orientation activities with prospective youth applicants to assist in the pre-screening and selection of program participants. Initial intake or informal interviews with YouthBuild applicants give staff an excellent opportunity to gauge prospective participants and their readiness for the rigors of the YouthBuild program and to conduct a preliminary program eligibility screen prior to actually enrolling them in the program (see DOL's Eligibility Guidelines). Questions on Mental Toughness/Orientation activities and allowable cost expenses have arisen from the YouthBuild system. This guidance is designed to provide clarification on allowable costs associated with Mental Toughness/Orientation activities which take place prior to enrollment.

4. Allowable Costs for Mental Toughness/Orientation Activities.

Mental Toughness/Orientation is an allowed YouthBuild program activity which takes place prior to participant enrollment. However, there are limitations on the types of activities which are considered allowable costs because potential participants are not officially enrolled in the YouthBuild program.

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When determining actual enrollment for a youth, YouthBuild staff should consider official enrollment at the point that Mental Toughness/Orientation is completed, selection of participants has occurred, and the youth have been entered into the Department of Labor's (DOL's) Case Management and Performance information system with an enrollment date in the YouthBuild program. The Mental Toughness/Orientation component of a YouthBuild program may not utilize DOL funds to pay for resources or services such as participation in a ropes course, travel costs, or speaker fees. In the case where the activities identified above are included in a Mental Toughness/Orientation program offered by a local YouthBuild program, DOL suggests leveraging other funds to pay for these activities.

Other examples of services or resources for youth that are not allowable costs during Mental Toughness/Orientation is the purchase of work boots, bus tokens, tuition and books, stipends or other supportive services a young person may need. These are not considered an allowable cost until a youth is officially enrolled in the YouthBuild program. Costs charged to the DOL grant for these types of services for youth not formally enrolled in the YouthBuild program through the Case Management and Performance information system will be disallowed.

DOL funds appropriated for YouthBuild may be expended for some services that are conducted during Mental Toughness/Orientation prior to enrollment as they constitute appropriate recruitment and eligibility determination activities, both of which are allowable costs. These may include the following: background checks, drug tests, staff time, or assessment tools. YouthBuild staff and administrators should adhere to the guidelines below when developing activities during the Mental Toughness/Orientation phase of the program to ensure that costs incurred for such activities are allowable costs:

1. Limit Mental Toughness/Orientation or any pre-enrollment activities to a time period of no longer than three weeks in length, preferably two weeks.
2. Do not spend DOL funds on non-enrolled program participants for services such as ropes courses, clothing, hotel or camping costs for a retreat, or speaker fees.
3. Do not spend DOL funds for stipends, wages, or supportive services that can only be provided to youth after they are formally enrolled as YouthBuild participants in the Case Management and Performance Information System with an official enrollment date.
4. Maintain a record on each youth participating in Mental Toughness/Orientation and, if the youth is not chosen as a participant, a note should detail why they were not enrolled. Another option is to make a note indicating a referral to another employment training program (e.g., One-Stop Career Center or Job Corps) or recommending a youth re-apply to the YouthBuild program at another time in the future.
5. Develop a policy that outlines the parameters of the Mental Toughness/Orientation activities. This policy should describe the process and include information such as the length of time, costs of appropriate funding allocations, and expected activities. Guidelines could also clarify the

qualifications for potential YouthBuild participants and include specific information on what the program deems as appropriate for participant success in the YouthBuild program.

6. Use leveraged funds to pay for costs associated with Mental Toughness/Orientation activities that fall outside of this general guidance.

5. Inquiries. YouthBuild grantees should contact their Federal Project Officers if they have any questions or need clarification about this guidance. Any additional questions or comments can be addressed to Anne Stom, Division of Youth Services, OWI, at 202-693-3377 or stom.anne@dol.gov.