

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION UI
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	DATE December 28, 2007

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER 2-08

TO: STATE WORKFORCE AGENCIES

FROM: EMILY STOVER DeROCCO /s/
Assistant Secretary

SUBJECT: Reporting Postage, Trade Readjustment Allowances (TRA), and Systematic Alien Verification Entitlement (SAVE) Administrative Expenditures through the Resource Justification Model (RJM)

1. **Purpose.** To provide guidance to state workforce agencies (SWAs) on reporting of postage, TRA, and SAVE administrative expenditures on the RJM.
2. **References.** ET Handbook No. 410, 4th Edition, November 2007.
3. **Background.** The RJM is a data collection instrument for total Unemployment Insurance (UI) administrative expenditures for the most recently completed fiscal year (FY). Those expenditures are extrapolated to project base resources SWAs would require in subsequent years. The total expenditures are broken out by functional activities and separated further into "Allowable RJM" expenditures and "Non-RJM" expenditures. Non-RJM expenditures are those which were granted for specific purposes including TRA and SAVE administration and postage. Non-RJM expenditures are subtracted from the total UI expenditures in order to prevent expenditures for purposes unrelated to base UI grant activities from impacting factors used to estimate such information. Due to the distinction between Allowable RJM and Non-RJM expenditures, it is imperative that all states report uniformly.
4. **Reporting Actual Versus Allocated Expenses.** The RJM handbook instructs states to report expenditures for postage, TRA administration, and SAVE administration as Non-RJM costs. However, SWAs may legitimately spend more or less than was distributed for these purposes. If a state spends more than was allocated, the additional funds would reduce expenditures for other activities, which would likely reduce the RJM factors used for future budget allocations. Conversely, if a state spends less on Non-RJM purposes than was allocated, the savings may be spent in other areas which would likely increase RJM factors for those activities that are used for future budget allocations. Therefore, uniform reporting is necessary for equitable treatment of all SWAs.

Postage. Effective October 1, 2007, all SWAs are responsible for managing their own postage operations. A specific postage allocation is made to each state based on a specified formula which is workload driven. For RJM purposes, the total amount of

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postage funds issued to the SWA should be reported as Non-RJM expenditures. States must identify as Non-RJM expenditures the total amount of postage allocated to the SWA in the prior fiscal year, whether more or less than that amount was actually expended.

Trade Administration: Except for “Personal Service” & “Personnel Benefits” costs for the Trade Coordinator, states should report as Non-RJM the total amount of TRA administration expenditures, up to the amount allocated to the SWA in the previous fiscal year.

SAVE: States should report as Non-RJM the total amount of SAVE administrative expenses, up to the amount allocated to the SWA in the previous fiscal year.

5. **Action Required.** State Administrators are requested to distribute this advisory to appropriate staff.
6. **Inquiries.** Questions should be directed to the appropriate Regional Office.