



POLICY

POLICY NAME: Memorandum of Understanding and Resource Sharing Guidance

Policy Number: 15-004

Date of Issue: December 17, 2014

Effective Date: July 1, 2015

For more info contact:

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Applies /Of Interest To: All Kentucky Career Center partners

Subject	<i>Memorandum of Understanding and Resource Sharing document templates.</i>
Purpose	<i>To issue templates for the Local Workforce Development Boards to execute an agreement with Kentucky Career Center (KCC) partners regarding the policies and processes of service delivery in each of the KCCs.</i>
Background	<i>Under the Workforce Innovation and Opportunity Act, a Memorandum of Understanding must be developed. The local board, with the agreement of the chief elected official, shall develop and enter into a memorandum of understanding between the local board and the one-stop partners, concerning the operation of the one-stop delivery system in the local area.</i>
Policy	<i>The Local Workforce Development Board shall develop a Memorandum of Understanding, with the agreement of the chief elected official, an agreement between the local board and the Kentucky Career Center partners concerning the operation of the KCC system. The attached Memorandum of Understanding template will be utilized to develop the agreement along with all required attachments.</i>
Procedural Guidance	<i>Local Workforce Development Boards should meet with partners to discuss and define the services to be provided by KCC, funding of services and operating costs, referral methods between partners, duration of the MOU and procedures for amending the MOU. The MOU must include the Resource Sharing Agreement describing how funding of the infrastructure costs of the KCC will be managed and details regarding the "fair share" costs of each partner. Templates and attachments may be downloaded from the "Team of Experts" website at http://kentuckycareercenter.ky.gov/Policy/Default.aspx. Included in the downloadable documents is a PowerPoint detailing step-by-step instructions.</i>
Required Action	<i>Local Workforce Development Boards should download all MOU forms and templates and prepare a draft MOU developed through partner MOU meetings. Upon final approval by the local board, the final document must be signed by all partners to the agreement with the exception of the Department of Workforce Investment agencies. The final document should be sent to OET by June 5, 2015, whereby, OET will sign and obtain signatures from OVR and OFB.</i>

	<i>Upon a completed and executed MOU document, OET will send to the local board.</i>
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Supersedes/ Replaces	<i>New</i>
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Other References	<i>WIOA Section121(c)</i>
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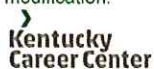
Technology Implications	<i>None</i>
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Memorandum of Understanding (MOU) and Resource Sharing for KCC Operators and Partners



Definition of "Memorandum of Understanding"

Section 121 of WIOA addresses the requirements for One-Stop delivery systems. Section 121(c) contains the requirements for the MOU and specifies that the MOU is an agreement between the local board and the One-Stop partners, with the agreement of the Chief Elected Official. The agreement must address how services will be provided through One-Stop delivery system, the methods for referral of customers between the One-Stop operator and partner agencies for services and activities, how the costs of services and One-Stop operations will be funded, the duration of the memorandum, and the procedures for modification.



MOU Guidance from DOL (Although documents reference WIA, both are relevant to the development of the MOU and RSA under WIOA.)

Federal Register on One-Stop Resource Sharing

[Federal Register/Vol. 66, No. 105/Thursday, May 31, 2001](#)

One-Stop Comprehensive Financial Management TA Guidance

www.doleta.gov/grants/pdf/TAG_PartI.pdf



KCC Partner Responsibilities

Make career services available in KCCs

Use program funds to create & maintain KCC system

Enter into MOU with the local LWDB

Participate in operation of KCC system

Provide representation on local LWDB



Required MOU Provisions

Each KCC MOU must define:

- ☐ Services to be provided by KCC
- ☐ Funding of services and operating costs
- ☐ Referral methods between partners
- ☐ Duration of MOU
- ☐ Procedures for amending the MOU



2015 MOU Process

➤ Download MOU forms, prepare Draft MOU

➤ Hold partner MOU meetings

➤ LWDB Approval

➤ Issue final MOU, gather signatures



Download MOU Documents

MOU documents are available at:

<http://kentuckycareercenter.ky.gov/Policy/Default.aspx>

- ☐ MOU template
- ☐ Parties to the Agreement - Attachment A
- ☐ Kentucky Career Centers (listing) - Attachment B
- ☐ Administrative Structure - Attachment C
- ☐ KCC Workflow – Attachment D
- ☐ Required Partner Services – Attachment E
- ☐ Additional Partner Services – Attachment F



Download MOU Documents-continued

- ☐ Method of Referral – Attachment G
- ☐ Methodology to Determine Shared Service Costs – Attachment H
- ☐ Treatment of Costs Chargeable to more than One Partner Program – Attachment I
- ☐ Impasse-Dispute Resolution – Attachment J
- ☐ Kentucky Career Center Services– Attachment K
- ☐ KCC Budget Planning & Reconciliation – Attachment L



Download MOU Documents-continued Sample Documents

- ☐ KCC Workflow (sample) – Attachment Samples D1,2,3
- ☐ KCC Services (sample) – Attachment Sample K
- ☐ KCC Budget Planning & Reconciliation (sample) – Attachment Sample L



Customizing the new MOU Template

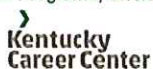
- ☐ New template is in Word format
- ☐ Language in template should not be altered without prior approval
- ☐ To propose revisions, update template using "Track Changes" and email it to: adrian.douglas@ky.gov
- ☐ Exception: Attachments to the MOU should be customized by each area
- ☐ Areas may add an unlimited number of MOU attachments to incorporate local policies, procedures, forms, goals, etc.



Fill-in Sections

MOU sections to be filled in by each area are designated by a blank table or by **red text**:

- ☐ Area Name- page 1
- ☐ LWDB name and CEO name(s) (Attachment A)
- ☐ List of required & additional partners (Attachment A)
- ☐ Number and locations of KCCs (Article I.A-Attachment B)
- ☐ Administrative Structure entities (Article I.B-Attachment C)
- ☐ KCC Customer Workflow (Article I.C-Attachment D)
- ☐ Agreement period (Article II)
- ☐ Programs, services & activities (Article IV.C-Attachment E & F)



Fill-in Sections, continued

Four areas of the MOU require narratives by the local area:

- ☐ Method of Referral (Article V-Attachment G)
- ☐ Method to Determine and Treat Shared Service Costs (Article VI.C-Attachment H & I)
- ☐ Impasse-Dispute Resolution (Article X-Attachment J)
- ☐ Kentucky Career Services description (Attachment K)



Insert Area Name onto first page of MOU

- ☐ Enter the local area's name in the title

Memorandum of Understanding for WIOA
Local **Area** _____
Kentucky Career Center Operations

- ☐ And in the first paragraph

...for the operation of the
Kentucky Career Center
Delivery System in WIOA
Local **Area** _____.

 **Kentucky
Career Center**

The MOU Sections: Parties to the Agreement – Attachment A

- ☐ MOU Parties include the local WDB, with the agreement of Chief elected official, and all partners

1. Identify the name of the WDB
2. List the title of the Chief Elected Official such as "County Judge Executive- Mercer County"
3. Fill out the grid of required partners
4. Fill out the grid of additional partners

 **Kentucky
Career Center**

Article I- System Overview & General Description – Attachment B

- ☐ List Kentucky Career Center names, locations, and KCC Managers served by each center
- ☐ KCC's are numbered by a Location Code, which is used later to document service delivery by site

 **Kentucky
Career Center**

Article I.B - System Description Administrative Structure Attachment C

☐ Identify the local area's:

- ☐ Administrative Entity
- ☐ Fiscal Agent
- ☐ Chief Elected Official
- ☐ Kentucky Career Center Operator



Article I.C – Workflow Attachment D - Customer Workflows

- ☐ Create a workflow for both employers and individuals
- ☐ Include these in Attachment D



Article II: Agreement Period

- ☐ Areas may enter into either a one, two or three-year MOU
- ☐ Enter dates of July 1, 2015 to either
 - ☐ June 30, 2016
 - ☐ June 30, 2017
 - ☐ June 30, 2018



Article III: Partner Responsibilities

- ☐ Recap of mandated partner roles found in WIOA regulations
- ☐ Boilerplate language- nothing to insert or modify



Article IV: Programs, Services, and Activities – Attachment E & F

- ☐ Partners will identify their Career and Training and Employer services in a grid
- ☐ Partners will enter a numeric code that corresponds to a description of each service found in MOU Attachment K, the KCC Services document
- ☐ For each KCC location (found in Article I-Attachment B), a Service Delivery Code will describe how the services will be delivered



Grid of Partner Services (Example)

Partner Name	Program Name	Career	Training	Employer	Service Delivery Method (Attachment K)	Location Code (Attachment B)
OET	Wagner-Peyser	1,2,3,4,5	N/A	1,2,3,4,5,6,7,8	1-FT 2-PT 2-N/A	1
OEB	Basic Support	1, 2, 3, 4, 5, 6, 7, 8, 10, 11	N/A	N/A	1-FT 1-PT	1

Enter numbers, then describe each service in Kentucky Career Center document (MOU Attachment K)



Article V: Method of Referral Attachment G

- ☐ Referral methods vary from KCC to KCC
- ☐ Write a description of the local process



Article VI: Fund/Resource Sharing Attachment H

- ☐ Describe process for determining how the partners compute, allocate, and pay for the Kentucky Career Center costs
- ☐ Details of the funding and resource sharing are found in Attachment L, Kentucky Career Center Budget Planning and Reconciliation Document



Article VI. C. – Program Costs/Services Attachment I

- ☐ Some KCC program costs may be chargeable to more than one program
 - ☐ (e.g., costs of training or supportive services for a participant eligible for multiple programs)
- ☐ Federal guidance requires MOU to address how partners will fund shared program costs
- ☐ Article VI. C. is for partners to define how they will handle any program costs that more than one partner could cover (Attachment I)



Article VII: Termination/Separation

- ☐ Situations that result in termination of MOU
- ☐ Process for one partner to separate from the MOU
- ☐ Handling the disqualification of a partner due to loss of funding or authority



Article VIII: Amendment

- ☐ Situations that require MOU amendment
- ☐ Process to request Amendment
- ☐ Amendments to add or remove a sign (unless partners costs increase)
- ☐ Deadline to amend MOU: 90 days prior to end of MOU (45 days if not all partners are affected)



Article IX: Confidentiality

- ☐ Language included in MOU to reflect a greater emphasis on protecting customer personal data



Article X: Impasse-Dispute Resolution Attachment J

- ☐ Each workforce system has a unique process for resolving disputes between partners
- ☐ Enter a description of local process into the MOU



Articles XI, XII, XIII

- ☐ Article XI: Limitation of Liability
- ☐ Article XII: General Provisions
- ☐ Article XIII: Partial Invalidity



Article XIV: Counterpart Language and Signature Pages

- ☐ Partners do not need to sign on one signature page (unless this is required by your local area or county)
- ☐ On the Signature Pages, enter the entity represented by each person signing the MOU
- ☐ Ask all parties to sign the MOU well in advance of the due date of the MOU.
- ☐ Due date of MOU to OET – June 5, 2015
- ☐ OET will obtain DWI agency signatures



Attachment K

- ☐ Use Attachment K to describe all services (Career and Training and Employer Services) available in the KCC system
- ☐ A sample Attachment K, which you may alter and revise, is provided
- ☐ Attachment K should link to the table of partner services in Article IV of the MOU (Attachments E & F)



Attachment L: Budget Planning and Reconciliation Document

A. Shared Cost Budget	List of KCC costs that benefit partners by line item and cost pool
B. Cost Allocation Method(s)	Process to distribute fair share of costs to each partner
C. Cost Sharing	Computation of each partner's share of line items and cost pools
D. Non-Cash Commitments	Description and cash value of resources provided in place of cash
E. Budget to Actual Reconciliation	Comparison of actual costs to budget projections



MOU Documents Due to OET June 5, 2015

MOU local area name and dates inserted	MOU signature pages with all signatures except DWI agencies	Attachments A - L
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Additional Attachments

☐ Areas may approach locally determined documents, such as:

- ☐ Mission and Value Statements
- ☐ Common Forms used by all partners
- ☐ KCC Performance Goals
- ☐ Contact Information of Partners



Budget and Reconciliation Document (Attachment L)

Step I. Shared Cost Budget (A)



Seven MOU Cost Pools

I. Facilities

- ☐ Lease
- ☐ Utilities
- ☐ Maintenance

II. Telecommunications & Information Technology

- ☐ Telephone Lines & Equipment
- ☐ Computer Hardware and Software
- ☐ Data Lines, Internet, IT Maintenance

III. KCC Management

- ☐ Manager
- ☐ Greeter/Receptionist
- ☐ Data Entry/Fiscal

IV. Resource Room

- ☐ Computers, Copier, Fax
- ☐ Phones, Internet Access
- ☐ Paper, Supplies, A/V



Seven MOU Cost Pools, continued

V. Supplies & Equipment

- Partner phones & equipment
- Office Supplies, postage
- Furniture/Cubicles

VI. Outreach

- Mass Mailings
- Media Buys
- Brochures & Signage

VII. Miscellaneous

- Other, not listed above
- Costs to one partner



Budget and Reconciliation Document (Attachment L)

Step II. Cost Allocation Method(s) (B)



Why use Cost Allocation?

- ☐ Federal programs must contribute a "fair share" of costs
- ☐ Fair share is to be based on "benefit received"
- ☐ For pooled costs, it is not easy to track expenses directly to one program
- ☐ Cost allocation is an easy, fair, and allowable way to split costs among a group of contributing programs



Rules of Cost Allocation

- ☐ Each partner must pay its proportionate share based on benefit received
- ☐ Each cost pool may be distributed using a different Cost Allocation method (e.g., occupancy for Facility Costs, FTE for KCC Mgmt, etc.)
- ☐ Different KCC sites may use different cost allocation bases and methods



Usual Cost Allocation Methods by Cost Pool

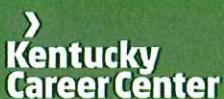
Cost Pool	Usual Cost Allocation Method
I Facilities	FTE or Square Footage
II Telecommunication & IT	FTE
III KCC Management	FTE
IV Resource Room	FTE or Program Participants
V Shared Equipment & Supplies	FTE or Program Participants
VI Outreach	FTE or Program Participants
VII Miscellaneous	FTE or direct charge to partner

- ☐ Each KCC is different
- ☐ Expect variations and be flexible
- ☐ See Example – Attachment Sample L B



Budget and Reconciliation Document (Attachment L)

Step III. Allocate Costs to Partners (C)



Allocation Process

☐ Multiply each line item of cost in the budget (from Step 1-see sample Attachment L.A) by each partner's percentage share of that cost pool (from Step 2-see sample Attachment L.B)) to determine partner's cost. (See sample Attachment L.C.)

☐ Adjustments may be needed if partners have opted out of a cost.



Rules of Distributing Costs

☐ A program will not pay for costs that are unallowable under the program's regulations

☐ A partner will not pay for a line item or cost pool that does not benefit its program or customers

☐ Costs that benefit only one program should be charged directly to that program, not distributed among the partners



Budget and Reconciliation Document (Attachment L)
Step IV. Resource Sharing (D.1 & D.2)



Resource Sharing

- ☐ Partners may pay for fair share of KCC costs with either cash or other options
- ☐ For more details, see DOL's *One-Stop Comprehensive Financial Management Technical Assistance Guide, Chapter I-4*
- ☐ Cash may be used to make up the difference between the value of resources and the partner share

(See Sample Attachment L D1 & D2)



Rules of Resource Sharing

- ☐ Goods or services provided must be a common cost in MOU budget
- ☐ Other partners must agree to allow a partner to use resource sharing
- ☐ The partner must document the actual value of goods and services provided and reconcile if necessary
- ☐ Partner must supplement with cash if value of resources is less than partner's fair share



Budget and Reconciliation Document (Attachment L)

KCC Quarterly Reconciliation (E)



Most budget items should expend about 25% per quarter

Quarter	Target Amount of Each Budget Item Spent	Amount of Budget Line Remaining
July – September	25%	75%
October – December	50%	50%
January – March	75%	25%
April – June	100%	0%

A reconciliation informs partners of line items over or under spending.



Quarterly Reconciliation

- ☐ Each quarter, compare cumulative actual KCC costs to the annual budget by line item to identify (and avoid) over-spending
- ☐ Format: See Tab E in the KCC MOU Budget document (MOU Attachment L)
- ☐ Submit reconciliation form with invoice to partners quarterly



Why Reconcile budget to actual?

- ☐ Minimizes the need for significant corrections late in the year
- ☐ Enables partners to identify and avoid over-spending by cutting other costs where possible
- ☐ Helps with writing a more accurate budget the following year based on actual costs
- ☐ Required by federal guidance on MOUs