

I. INTRODUCTION

A. Background. The Resource Justification Model (RJM) is a data collection system that allows state agencies to request the administrative resources they need to operate their respective Unemployment Insurance (UI) programs. The RJM software assists states in compiling information needed as input for the model. The system also provides the National and Regional Offices a compatible automated process to review and analyze the states' information in order to formulate the annual budget request. Finally, the RJM enables the National Office to allocate rationally the funds appropriated by Congress.

States play an integral role in submitting annual budget justifications for their projected operating costs. These submissions are collected in a database to enable Regional Office review through comparative analysis, final National Office review, and report generation to produce UI program budget requests. Like the previous system, RJM is workload-based, but with a capacity for annual updates of each state's data and review by the National and Regional Offices.

RJM's objectives are to determine resource needs for budget requests and have credibility with all stakeholders, reflect all required activities, ensure service with acceptable quality, allow for use of technology and technological change, address capital investment needs and tie budget formulation with allocation.

B. Concept. Each state submits sufficiently detailed data, which may be subject to audit, in a structured format to develop a credible budget. States enter data from their accounting systems into RJM worksheets that will cumulate the information to build the budget request. The RJM has separate worksheets for each workload function for claims and employer activities, and each non-workload function (e.g., Benefit Payment Control, UI Performs, and Support). For each of these activities, the RJM will calculate the number of staff years needed and the cost per staff year, which includes personal services (PS) and personnel benefits (PB). This cost will be multiplied by the staff years from appropriate workload and non-workload categories and summed over categories to arrive at total personnel compensation costs.

The RJM also addresses non-personal services (NPS) by including forms to display recent requirements and to request and justify enhancements. The NPS categories are communications, facilities, computer services, travel, non-ADP (automated data processing) office equipment, supplies, state indirect costs, and miscellaneous.

Each year, states will enter four years worth of information on the RJM worksheets: the previous year, the current year, the next year (the year following the current year) and the request year (the year for which the budget is being developed). This is necessary to show the resource path leading up to the year for which the budget is being developed. States will submit their data in late-January for the fiscal year (FY) to begin 20 months later to allow for inclusion in the federal budget formulation process. The states'

submissions will also be used as input for the planning targets based on the President's budget request and the final allocations after Congress appropriates funds.

C. Guiding Principles. The following principles will help ensure consistency of the data.

1. Include only those costs allowable under OMB Circular A-87.
2. Include only expenditures associated with the operation of the regular UI program for 12-month periods ending September 30th. Include expenditures for UI Performs and exclude expenditures for SAVE, TRA, and NAFTA. Include those costs that are being funded by state funds that would have been appropriately charged to the UI program if sufficient federal dollars had been available.
3. Include items reportable on a W-2, except educational grants and meal allowances, under **PS**.
4. Include educational grants and meal allowances reported on a W-2 under **PS CONTRACTS** and **TRAVEL**, respectively.
5. Include costs reportable on a SF 1099 under an **NPS** category.
6. Provide supporting documentation for requests for **PS\PB** increases.
7. Provide supporting documentation for any NPS category that exceeds 3 percent.
8. If the state's functional activity codes differ from the RJM categories, include those costs in the RJM category in accordance with the definitions.
9. If an item is purchased for a primary purpose and has other applications, include it in the RJM category for the primary purpose.
10. If an item can be classified in more than one NPS category, include it in the first category according to the order specified by the definitions.
11. Include charges from other state agencies due to a request for service under **PS CONTRACTS**.
12. Include purchases made from other state agencies under the appropriate NPS category.
13. State Indirect costs are those charges that all programs receive from outside the agency. This principle applies when there are multiple layers of State Indirect costs.
14. If more than one item is being combined in an agency's accounting system (either by category or minor object code) and they should be split between two or more RJM categories, then make the best estimate as to how to split those costs.

15. When costs are split, the sum of the parts must equal the whole.
16. If multiple taxes are collected, then reduce costs in accordance with General Administration Letter 4-91, prior to entering the RJM data. Attach a table that shows the reductions.
17. Convert costs for PS contracts used to provide workload-related staff functions to MPU values and add them to the appropriate functional activity code. Convert costs for PS contracts for non-workload staff functions to staff years and add them to the appropriate functional activity code.
18. Include ICON programmers and Internal Security under Support.
19. Exclude staff years and dollars earned for multi-claimant nonmonetary determinations and appeals. These are funded from above-base dollars.
20. The RJM is designed to capture expenditures that occur during a federal fiscal year. Include resources on order from a prior fiscal year in the year in which they are liquidated.

D. Modules. The RJM system has six process modules:

- Module I Data Collection
- Module II Data Review
- Module III Analysis and Evaluation
- Module IV Budget Formulation
- Module V Allocation
- Module VI Monitoring

1. Module I - Data Collection. The states will prepare the request for resources using their operating costs from the fiscal year just completed and project these costs for the current year, as well as the next two fiscal years. These projections will be based on known operating costs, projected workload, and any known increases such as legislated compensation increases. States may also request additional funding for enhancements. Module I consists of two major tasks:

a. Enter data into the RJM Microsoft Excel® worksheets that determine the amount of dollars required to operate the UI program. The worksheets provide a standard format for the submission of data. The worksheets are designed to calculate the total state needs based on the entry of specific data.

b. Compile the notebook that includes the narrative description of the budget request and the conversion of accounting data, and copies of the accounting documents that were used to prepare the request.

2. Module II - Data Review. The National and Regional Offices will conduct a detailed review of states' requests for resources. The data from all states' submissions will be imported into a relational database maintained by the National Office. The Regional Offices will ensure that submitted data is accurate through comparisons with cost accounting data and that states' submissions are treated equitably

3. Module III - Analysis and Evaluation. The National Office will review the states' data for consistency and will compile the RJM data for the formulation and allocation processes

4. Module IV - Budget Formulation. The National Office will use the output from the three previous modules to formulate a budget request.

5. Module V – Allocation. To distribute the available funds, the National Office will use an appropriately modified version of the existing Workload Allocation System (WAS). If state requests exceed the funding availability, the National Office will use the current MPU reduction algorithm in WAS to reduce staff years and will reduce the NPS dollars across-the-board.

6. Module VI - Monitoring. Monitoring is a National Office-directed continuing review process focused on data integrity. The analysis and evaluation resulting from Module III of the RJM will provide indicators of areas that are a priority for external review.

II-USING THE WORKSHEETS

A. Introduction. The RJM worksheets capture historical costs for the previous FY, and projected costs for the current FY, the next FY, and the request FY. Completing previous, current, next, and request FY data in sequential order on each form enables built-in calculations to carry some data forward from one FY to the next. The following paragraphs will explain the structure of the workbooks and how to load and use them. Examples of the worksheets are in Appendix A. Instructions for completion of specific worksheets are contained in Appendix B. It may be useful to view the worksheets side-by-side with their corresponding instruction.

B. Preparations for Completing the RJM Worksheets.

1. Compile the summary accounting reports for the UI grant (fund ledger codes 210 and 213) and any other reports for fund ledgers that could have been charged to the grant if funding had been available. Include reports for state funds and penalty and interest (P&I) funds that were used for UI administration. Include reports for Trade claims activity (fund ledger code 219) and Temporary Extended Unemployment Compensation (TEUC). The accounting reports for the previous FY should cover a twelve-month period from October 1 to September 30. Also include reports from FYs prior to the previous FY if prior year obligations were liquidated during the previous FY.

2. If P&I funds or other state funds were used, determine if these were used solely for the UI program or for combined functions. Exclude funds that were not used for the UI program.

3. Complete the Crosswalk Workbook that combines all UI costs from all sources. Show only expenditures that were made during that period, including obligations from previous FYs that were liquidated during the period; exclude unliquidated obligations.

4. Allocate the accounting system direct charges to the RJM codes.

5. Allocate agency indirect charges to the appropriate RJM codes. Agency indirect includes department indirect and cabinet indirect. Exclude state indirect costs.

C. General Information. This section provides general information for the file structure and using the files.

1. File Structure. The file contains worksheets that collect the RJM data and calculations in a format that can be imported to a National Office database. The database will generate summary and statistical reports for data analysis. The diagram below shows the purpose of and the relationships between the RJM files.

2. Loading and Using the RJM Files.

a. System Requirements. The system configuration needed to use the RJM efficiently is as follows:

- MS Windows® 98 or later
- Microsoft Excel® 2000
- 16MB RAM
- 2MB hard drive for RJM files (minimum)

b. Workbook Proficiency Requirements. The procedures for loading and using the workbooks assume an intermediate level of proficiency. It is necessary to understand the concept of cell references and how the value entered in one cell can change the contents of another cell in the same or different worksheets.

c. RJM File Location. The web site at www.ows.doleta.gov/rjm has a current set of the Microsoft Excel® files and the Microsoft Word® file for Performance and Capital Investment (PCI) requests, if they are solicited, for downloading.

d. Loading the RJM Excel® Files. Load the Excel® files from the web site and copy them to the hard drive and change the file name. For example, use a file name such as RJMXX.xls, where “XX” is the two-digit state abbreviation. It may be useful to keep an unmodified version of the workbook in case it should become necessary to start over completely or if specific worksheets become corrupted and must be rebuilt. In addition, save the data periodically and create backup copies of the files, including the unmodified RJM file.

e. Data Entry. The RJM worksheets are designed so that data entries are used in formulae to calculate values in other cells or used in cell references to copy the values into other cells. Because data elements are linked to elements in other worksheets and all data elements are required for the Data Export, data entry should occur in a specific order. Worksheets in the crosswalk workbook should be completed first and in the order of the worksheet tabs from left to right, starting with the STARTUP worksheet. Worksheets in the main workbook should also be completed in the order of the worksheet tabs from left to right, starting with the ACCTSUM worksheet.

(1) STARTUP Worksheet. Data entry for the STARTUP worksheet should occur first because key elements from it are linked to every other worksheet within the crosswalk workbook. Also, the data imports to the main RJM workbook which contains worksheets linking to the data as well. To enter the initial key elements:

Select the state’s name from the pull-down list.

Select the state’s accounting system from the pull-down list.

Enter the “Request Year.”

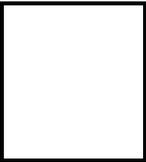
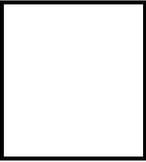
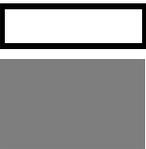
Enter the number of hours per workday.

From the value in “Request Year,” the worksheet calculates the values for the Previous, Current, Next, and Request FYs. The files use elements entered or calculated in the STARTUP worksheet to fill headings in the other RJM worksheets.

(2) Completing the RJM Worksheets. After entering the key elements into the STARTUP worksheet, data entry can begin on the rest of the worksheets within the crosswalk file. After importing the crosswalk data into the main RJM workbook, data entry can begin on the rest of the worksheets within the main RJM workbook. In both files, areas where data entry is required have a cyan background color and a dark border.

3. Worksheet Formats and Conventions.

a. Cell Formats. The Microsoft Excel® worksheets contain cell border and shading formats that help identify the type of action that is required. Presented below are the formats used in the RJM forms. The examples are from 1-UI, UI Program, found in Section B, File RJM.xls, Worksheet 1-UI, page 1.

Item Name from RJM-1 Form	Cell Format	Description of Format	Action Taken to Populate Cell With a Value
TOTAL PERSONAL SERVICE COST		Light border, no shading.	An Excel formula obtains the value through a link to another cell. [Col. B] Excel retrieves the Total Dollars Paid from the DATA worksheet and subtracts from it AS&T Dollars Paid.
TOTAL POSITIONS PAID		Light border, no shading.	An Excel formula obtains the value through a link to another cell. [Col. B] Excel retrieves the Total Positions from the DATA worksheet and subtracts from it AS&T Positions.
MONTHS REPORTED YTD	12	No border, no shading.	An Excel formula obtains the value through a link to another cell. [Col. C] Excel retrieves the value of No. Months Reported Current YTD from the STARTUP Worksheet.
STRAIGHT LINE PROJECTED PS COST PER POSITION	#DIV/0!	No border, no shading.	An Excel formula calculates the value. [Col. C] System calculates RESULT OF (Total Personal Service Cost divided by Total Positions Paid) divided by RESULT OF (Months Reported YTD times 12 Months Per Year)
DOCUMENTED PS INCREASES PER POSITION 1.		No border, gray shading.	No value is placed in the cell. [Col. B] Gray shading indicates no data entry or Excel formulae.

b. Number of Decimal Places. The worksheet cells are formatted to round data to a specific number of decimal places. The table below shows the rounding convention for the cells and the degree of numerical precision needed for data entry.

Data Element	Decimal Places
Dollars	Whole dollars
Positions	2 decimal places
Minutes per Unit (MPU)	3 decimal places
Work hours	2 decimal places
Workload	Whole numbers

c. Pre-Entered Values. Information that applies to the entire budget request package is entered in the STARTUP worksheet. These key data elements are transferred to all worksheets where appropriate and will not have to be entered on each individual worksheet.

Each key RJM element in the STARTUP Worksheet has a *defined name*. For example, the defined name for the value of State Name is STATENAME, and for Budget Year is BUDGETYR. The means by which the key elements are forwarded from the STARTUP Worksheet to all other worksheets is by use of the defined name in a formula. For example, if a user selects **YOURSTATE** with the state abbreviation of YS on the STARTUP worksheet, then “YOURSTATE” will appear on the left near the top of each of the other worksheets in the workbook. The formula in those cells is = STATENAME

d. Worksheet Row Numbers and Column Letters. The data element cells in the worksheets are identified by row numbers and column letters. These are referenced in the instructions in Appendix B. For most of the RJM forms, worksheet columns B through E designate the years for which data elements are captured.

Column	Fiscal Year
B	PREVIOUS
C	CURRENT
D	NEXT
E	REQUEST

4. General Instructions. Data in the worksheets are to include charges to the UI grant, as well as those that were made against state funds, but could have been charged to the UI grant if sufficient resources had been available. The general instructions below pertain to filling out the forms.

a. Cells for Data Entry. Enter data only in cells with a heavy border and cyan background.

b. Cells with Formulae. Data validation checks have been incorporated into the workbooks that will not allow data entry in cells containing formulae. This is to ensure

that the integrity of the data is preserved throughout all the worksheets and that the way the data elements are prepared is standardized for all states.

c. Adding or Deleting Rows. Do not add or delete rows in the STARTUP worksheet of the crosswalk workbook. Do not insert or delete rows between rows 1 – 9 of the CROSS PSPB, CROSS NPS, TEUC CROSS PSPB, TEUC CROSS NPS, and PS CONT CROSS worksheets found in the crosswalk workbook. Do not add or delete rows in the 1-XXX INC worksheets of the crosswalk workbook. Do not add or delete rows in any of the worksheets of the main workbook. Do not modify any cell in the worksheets unless it is surrounded by a heavy border and has a cyan background color.

d. Copying Worksheets. Accidents can happen even when the greatest care is taken in filling out the forms. Data elements can be inadvertently deleted, data entry errors can accumulate, or the file can be damaged somehow. If these occur, delete the affected worksheet and copy and paste in the corresponding worksheet from the unmodified workbook. To do this, perform these steps:

Open the unmodified RJM file or download a new file.

Click on the tab of the sheet you wish to copy.

Click on **Edit**.

Click on **Move or Copy Sheet**.

At the bottom of the dialog box, click on the check box **Create a copy**.

WARNING! The default setting for this check box is blank.

Failure to click on the check box to create a copy will remove the blank sheet from the unmodified RJM workbook entirely.

Should this happen accidentally, use the backup copy of the unmodified RJM files to restore the unmodified RJM file.

Click on the arrow beside the **To book** combo box to pull down the list of open workbooks. Click on your state's data workbook into which the worksheet is to be inserted.

In the **Before sheet** list box, click on the name of the worksheet that the new worksheet should be copied in front of. You will now be in the copied worksheet. You will need to change the source of the links from the template workbook to your data workbook.

Click on **Edit**.

Click on **Links**.

Click on the name of your state's data workbook file. Click on **Change Source**.

In the **Links** list box, click on your state's data workbook file name and then click **OK**.

NOTE: If you do not find the required file in the list, then you do not have it open. In this event, click **Cancel** and open the file. Change the source of the links in the manner described above.

e. Checking Cell Values. When finished with entering data in a worksheet, ensure the values in the linked cells are correct. The instruction worksheets indicate which cells contain links to other cells. The instruction will state, “system imports from.” Find the referenced cell in the appropriate worksheet and see if the value contained in it copied over correctly. Check the calculations to ensure that the results are correct and reconcile in summary to source documents. For worksheets with no data entry cells, check calculations and links as described above. Lastly, ensure that the bottom line numbers make sense.

f. Using the Worksheet Checklist. The RJM 6-List Worksheet is a checklist of all the worksheets. Some worksheets do not require data entry, but contain information that is referenced in other worksheets or is needed in the Data Export. Use this checklist to verify that all the data entry is complete.

5. Glossary for Worksheets.

\$	Cost or Expenditures
AB	Above Base
APP	Appeals
AST	AS&T (Indirect Costs such as the cost of Personnel, Fiscal, etc.)
BPC	Benefit Payment Control
CMP	Comparison
COM	Communications
DP	Data Processing or Information Systems
F	Funded or Funding
IC	Initial Claims
LIST	Listing of RJM Worksheets
LV	Leave
MPU	Minutes Per Unit
NMD	Nonmonetary Determinations
OE	Office Equipment
P	Positions
Rates	Cost per Hour
RQ	Requested (Normally requested by USDOL)
S	Studied (Refers to Cost Model Study MPU's)
SUB	Subcategory
SUM	Summary
SUP	Support
TAX	Tax
UI	Unemployment Insurance
UIP	Unemployment Insurance PERFORMS
WK	Weeks Claimed
WR	Wage Records

III-NOTEBOOK

A. Purpose. All RJM data are subject to review. The RJM notebooks are designed to provide a documented audit trail on the methods and documents a state used to compile their RJM. The notebook should be compiled so that anyone with a general knowledge of accounting and the RJM system can review a state's data and determine the source of data from the state's accounting system, how it was converted to the RJM format, and how adjustments were made. This will provide a source for review and also provide the state agency staff with a record of how the RJM was compiled. This will provide continuity since state agencies normally experience staff turnover and the staff that completed the RJM may not be available to assist in the review or to prepare the following year's RJM. States should make a minimum of three copies of their notebooks. States should retain one notebook, and send one copy to the regional office and one copy to the national office.

B. Description. The RJM notebook should include a narrative that describes the budget request and attachments that include the accounting reports used and documents that show how calculations were made to convert accounting data into the RJM format. The instructions in Appendix B discuss the accounting reports needed.

C. Accounting Records. ETA does not prescribe the type of time distribution and accounting systems that state agencies should use to generate the required data; however, the systems used must be capable of providing accurate data in the required detail. With states having the latitude to use the systems of their choice, this presents problems in compiling data at the national level and comparing states' data. In order for the Office of Workforce Security (OWS) to receive data in a uniform manner, the RJM system was developed with standardized worksheets. In order for states to complete the RJM, they must convert their existing accounting data to conform to the categories for the RJM. Total UI Expenditures for the Previous Year reported by a state in its RJM submission should equal, or come close to equaling, what the state reported on its SF 269s . States should explain any differences in the narrative.

D. Format and Instructions. The notebook should be organized in a manner that will allow the review process to proceed efficiently. Each section of the notebook should include a step by step documentation of how the data for the corresponding worksheet was converted from the state's accounting records to the RJM format, copies of the source document for that data, and a copy of any calculation or adjustments that were made. It is important that states include detailed documentation, especially for formula generated figures, to ensure the state has provided the reviewer with a complete and traceable audit trail. The notebooks should have tabs to divide the sections and should follow and be labeled according to the numbering scheme that is described below. Tabs should also be labeled with the appropriate content description (Tab Name). Notebooks should include the name of the state on both the front cover and on the spine.

NOTE: States should note in the appropriate tab(s) how much in non-federal dollars was added to the grant or grant request. For example, any non-federal dollars added to NPS should be specified by amount in the NPS SOURCE tab.

TAB #	TAB NAME	DOCUMENT TO BE INCLUDED
1	NARRATIVE	General narrative describing the process the state used in completing their RJM, problems encountered, and any items to which the state would like to call attention.
2	RJM WORKSHEETS	Copy of RJM spreadsheets.
3	ACCT SUM	Copy of summary report for each fund ledger used to support UI activities.
4	PSPB CROSS	Copy of state's completed PSPB crosswalk sheet. Include calculations for splitting costs of functional activity codes.
5	HRS PAID	Copy of state's accounting report that shows hours paid by functional activity and fund ledger.
6	DOLLARS PD	Copy of state's accounting report that shows dollars paid for PS and PB by functional activity and fund ledger. If included on previous report, insert notation; do not include an additional copy.
7	HRS WORKED	Copy of state's accounting report that shows hours worked by functional activity and fund ledger.
8	NPS CROSS	Copy of state's completed NPS crosswalk sheet.
9	NPS SOURCE	Copy of state's accounting records that were used to prepare the NPS crosswalk sheet.
10	PS CONT	Detailed list of all PS contracts. Provide the name of the contract, the purpose of the contract, the amount of the contract and identify those contracts that were not converted to a functional activity. Of those contracts that were not converted to a functional activity, provide a reason.
11	NPS INC	Provide the documentation and calculations that were used to request increases to NPS.
12	PS INC	Provide the documentation and calculations that were used to request an increase in PS. Show the effective date of the PS increase and how the calculations were adjusted for the effective date.
13	PB INC	Provide the documentation and calculations that were used to request an increase in PB. Show the effective date of the PB increase and how the calculations were adjusted for the effective date.
14	LEAVE	Provide the documentation and calculations that were used to request adjustment to leave hours.
15	GAL 4-91	For those states that are affected by GAL 4-91, include a copy of the cost allocation plan that is required by GAL 4-91 and the adjustments to the fund ledger codes that were made prior to completing the RJM forms.
16-99	OTHER	Include any other documentation that the state used to prepare their RJM.