



U.S. ABILITYONE COMMISSION

Policy Number 51.302
Effective Date: January 1, 2022

COLLECTION AND UTILIZATION OF PROGRAM FEES BY DESIGNATED CENTRAL NONPROFIT AGENCIES

1. PURPOSE

This document prescribes the U.S. AbilityOne Commission (Commission) policy for collection and utilization of Program Fees. Program Fees are paid by Commission-authorized nonprofit agencies (NPAs) with AbilityOne Program sales to Commission-designated Central Nonprofit Agencies (CNAs) for the purpose of contributing to the overall financing of the non-appropriated portion of the AbilityOne Program. Prior to 2016, these fees were referred to as Central Nonprofit Agency (CNA) Fees.

2. APPLICABILITY

This policy applies to the Commission, its designated CNAs, and authorized NPAs participating in the AbilityOne Program. Federal entities subject to the Javits-Wagner-O'Day (JWOD) Act and Federal contractors awarding directed subcontracts to meet the mandatory source requirement in their prime contracts should be aware of the Program Fee, and may reference Commission Policy 51.601 for the application of Program Fees to the prices proposed for products and services on the AbilityOne Procurement List.

3. AUTHORITY

- (a) 41 U.S.C. §§ 8501-8506, Javits-Wagner-O'Day (JWOD) Act
- (b) 41 C.F.R. Ch. 51, Committee for Purchase From People Who Are Blind or Severely Disabled

4. DEFINITIONS AND ACRONYMS

Definitions, abbreviations, and acronyms frequently used throughout this policy system are provided in Commission Policy 51.102, Definitions. Terms unique to a specific subject matter will be defined in the associated policy and/or procedure.

Term	Definition
Program Fee	A fee that Commission-designated CNAs are authorized by Commission regulation and their Cooperative Agreements to collect from authorized NPAs to facilitate the latter's participation in the AbilityOne Program. The Program Fee contributes to the overall financing of the non-appropriated portion of the AbilityOne Program. The Program Fee is neither profit nor net proceeds.

The Committee for Purchase From People Who Are Blind or Severely Disabled operates as the U.S. AbilityOne Commission



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Term	Definition
Program Fee Ceiling	By regulation, the Commission establishes a limit (i.e., a ceiling, expressed as a percentage rate) to the fees a designated CNA may collect to facilitate its associated NPAs' participation in the AbilityOne Program. The CNAs may charge less than, but no more than, the Program Fee Ceiling set by the Commission.

5. RESPONSIBILITIES

- (a) The Commission provides authorization and guidance regarding the collection of Program Fees by the Commission-designated CNAs in 41 C.F.R. 51-3.5 and their Cooperative Agreements.
- (b) The Commission approves the Program Fee Ceiling for each CNA in accordance with 41 C.F.R. 51-2.2(f), and communicates the applicable rates to participating NPAs and other stakeholders.
- (c) The CNAs collect Program Fees from their associated NPAs, not to exceed the Program Fee Ceiling, after the NPAs have been paid by the Government for the sale of products or services on the Procurement List.
- (d) The CNAs report their collection of fees and fee-related expenditures as required by their Cooperative Agreements with the Commission and/or applicable law.
- (e) The NPAs remit Program Fees to their respective CNA(s) upon receipt of payment from the Government to maintain qualification to participate in the AbilityOne Program. See 41 C.F.R. 51-4.3(b)(9).

6. POLICY

- (a) The Commission authorizes CNAs to collect Program Fees from their associated NPAs exclusively for performance of duties as a Commission-designated CNA.
- (b) The Commission's revocation or discontinuation of the designation as a CNA severs any rights or responsibilities of the CNAs to collect future Program Fees beyond what is owed to the CNAs at the time of removal or discontinuation.
- (c) The CNAs and NPAs shall follow the Commission's guidance for calculating Program Fees in the price of AbilityOne contracts.
- (d) Program Fee Ceiling Application by the CNAs.
 - i. The CNA(s) may assess Program Fees at a rate lower than the ceiling established by the Commission, but not higher.
 - ii. The CNAs have the flexibility to set fees on individual NPA contracts within the Commission-approved fee ceiling(s) to generate revenue within their approved business

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plans, such as to incentivize the expansion of employment opportunities and assist in start-ups.

- iii. Each CNA shall issue a policy or procedure that stipulates any exceptions or waivers to application of Program Fees, including but not limited to application of Program Fees to subcontract costs.
- iv. Each CNA shall issue a policy or procedure that provides a process for its associated NPAs to appeal Program Fees they consider inappropriate, including appeal to the Commission as the final decision maker.

(e) Program Fee Utilization.

- i. The Commission authorizes the CNAs to use Program Fees for the purpose of satisfying requirements and responsibilities set forth in the AbilityOne regulations, policy, terms and conditions of the Cooperative Agreement, and the AbilityOne Program's strategic goals and priorities. Likewise, any surplus Program Fees collected by the CNAs (revenues in excess of expenses) will be utilized for the purposes and under the conditions of the agency regulations, policies and terms and conditions of the Cooperative Agreement and the AbilityOne Program's strategic goals and priorities.
- ii. As good stewards of Program Fee resources, the CNAs must continually seek, achieve, and report on efficiencies to optimize resources and minimize long-term Program costs.
- iii. As the AbilityOne Program grows, additional resources may be needed for Program administration, accountability, policy development, education, communication, and data analysis to provide assistance to the qualified participating NPAs in the Program. The Commission may exercise its statutory Program administration responsibility to direct CNA performance of additional Program duties as appropriate.

7. EXCEPTIONS TO POLICY

None.

8. PROCEDURES

- (a) Program Fees owed to the CNA, payable by associated NPAs, shall be calculated by multiplying the Program Fee Rate (at or below the Commission-approved Program Fee Ceiling) by the amount of an NPA's sales to the Government, net of excluded items.
- (b) The CNAs shall submit their policies and procedures that address exceptions or waivers to application of Program Fees within the Commission-approved ceilings, and that address NPAs' appeals of Program Fees, to the Commission for review in accordance with the requirements of their respective Cooperative Agreements.

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- (c) Any change to the fee ceiling shall be applied to new additions, renegotiation of contracts (other than predetermined annual price changes) and contracts with follow-on years which already provide for a fee ceiling change.

9. SUPERSESSION

Administrative Memorandum Number 11, dated October 1, 2006, is replaced in its entirety by a combination of this Policy and Commission Policies 51.210 and 51.601.



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