

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

1. What is the AbilityOne® Program?

The AbilityOne Program is one of the largest sources of employment in the United States for people who are blind or have significant disabilities. More than 42,000 individuals, including more than 3,200 veterans, are employed by approximately 500 nonprofit agencies (NPAs) organizations nationwide.

The AbilityOne Program mission is to provide employment opportunities for people who are blind or have significant disabilities in the manufacture and delivery of products and services to the Federal Government.

The AbilityOne Program vision is to enable all people who are blind or have significant disabilities to achieve their maximum employment potential.

The AbilityOne Program is administered by the U.S. AbilityOne Commission, an independent Federal agency, with assistance from Central Nonprofit Agencies (CNAs) National Industries for the Blind (NIB) and SourceAmerica®.

AbilityOne provided nearly \$4 billion in quality products and services to the Federal Government at a fair market price in Fiscal Year 2020. The Program operates at more than 1,000 locations, representing 40 government agencies, including more than 150 Base Supply Centers at military and government installations.

2. What is the role of compliance within the AbilityOne Program?

Full compliance with the AbilityOne Program requirements is expected of every participating NPA. This means that participating NPAs must achieve full compliance with all statutory and regulatory requirements set forth in 41 U.S.C. §§ 8501-8506, also known as the [Javits-Wagner-O'Day Act](#). Program participants will conduct all business ethically and lawfully. AbilityOne-participating NPAs are qualified to compete for government contracts and provide products and services that are Federally approved and registered.

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

3. What is the U.S. AbilityOne Commission?

The AbilityOne Program is administered by the U.S. AbilityOne Commission (Commission), the operating name of the Committee for Purchase From People Who Are Blind or Severely Disabled. The Commission is an independent Federal agency composed of 15 Presidential appointees: 11 represent Federal agencies, and four serve as private citizens who are knowledgeable about employment barriers facing people who are blind or have significant disabilities. The Commission designates CNAs to facilitate the employment of people who are blind or have significant disabilities.

4. What is the mission of the Commission’s Oversight and Compliance Directorate?

The mission of the Commission’s Oversight and Compliance Directorate is to monitor and promote compliance with applicable laws, regulations, and policies and enhance overall program integrity, working with CNAs and NPAs participating in the AbilityOne Program.

5. What are the responsibilities of the Commission’s Oversight and Compliance Directorate?

The Directorate’s responsibilities include issuing and monitoring policy and procedures guidance, technical assistance, and training to AbilityOne Program participants; conducting compliance reviews; reviewing and addressing mandatory disclosures and complaints; performing comprehensive reviews of Annual Certifications; reviewing proposed additions of products and services to the Procurement List for NPA qualification and capability; and, as needed, providing support to the Office of Inspector General and/or the Department of Justice for investigations. See 41 C.F.R. 51-2.2 (h)(i), which can be found online through https://www.abilityone.gov/laws_regulations_and_policy/code.html.

6. Where can I find Commission compliance policies and procedures?

Compliance policies and procedures can be found online at https://www.abilityone.gov/laws_regulations_and_policy/commission_policy_51_400.html.

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

7. Why was the Commission’s Compliance Manual rescinded?

The Commission’s Compliance Manual was rescinded in 2020 because it was an informal document. It has been replaced with (1) a series of new or updated Compliance policies and procedures on the Commission website at https://www.abilityone.gov/laws_regulations_and_policy/commission_policy_51_400.html, and (2) these Frequently Asked Questions.

8. For on-site Commission compliance reviews of NPAs, what are the Commission’s responsibilities and how do the CNAs support the Commission?

For information regarding the Commission’s compliance reviews, please refer to Policy 51.404 “On-Site Compliance Reviews” at https://www.abilityone.gov/laws_regulations_and_policy/commission_policy_51_400.html.

Further to Policy 51.404, each NPA is encouraged to contact its CNA for technical assistance, such as preparation for questions that may be asked during a Commission compliance review. CNAs also conduct reviews of NPAs (NIB conducts Technical Assistance Visits, SourceAmerica conducts Regulatory Review Assistance Visits).

CNA technical assistance to NPAs is provided in accordance with the Cooperative Agreements that govern the relationship between the Commission and CNAs.

9. Where can I find information about the Individual Eligibility Evaluation (IEE) form?

Current Individual Eligibility Evaluation (IEE) information and forms can be found online at https://www.abilityone.gov/laws_regulations_and_policy/individual_eligibility_evaluation.html.

The Commission is developing additional information regarding the IEE form. When complete, this information will be included in Policy 51.405, which will be found online at https://www.abilityone.gov/laws_regulations_and_policy/commission_policy_51_400.html.

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

10. Is medical documentation from a Nurse Practitioner or Physician Assistant acceptable proof of a medical diagnosis?

Medical documentation from a Nurse Practitioner or Physician Assistant may be acceptable when those professionals have the qualifications to diagnose the type(s) of medical conditions experienced by the employment candidate.

NPAs should always refer to State guidance regarding who can make a medical diagnosis in the State that the NPA is operating its contracts. The NPA is responsible for ensuring the authenticity of the medical documentation received from potential AbilityOne Program participants.

11. How do I know whether the Social Security Administration (SSA) documentation is authentic when it does not have a signature?

Information about the authenticity of documents from the Social Security Administration, and policy on signatures, can be found at <https://secure.ssa.gov/poms.nsf/lnx/0900601003>.

12. Is a Certificate of Eligibility emailed from a State agency considered to be an acceptable medical diagnosis?

Yes, when the NPA has verified the authenticity, a Certificate of Eligibility emailed from a State agency is considered to be an acceptable medical diagnosis. The NPA should ensure that the sender address matches the State agency office. The document itself must be legible. The certificate must show a diagnosis of at least one significant disability that impacts at least one of six functional limitations described in 41 CFR 51-1.3 and the Commission's "Instructions for Individual Eligibility Evaluation (IEE) Form" at https://www.abilityone.gov/laws,_regulations_and_policy/individual_eligibility_evaluation.html.

The Commission's regulations further define blind and severely disabled at 41 CFR 51-1.3, which can be found online through https://www.abilityone.gov/laws,_regulations_and_policy/code.html.

A Certificate of Eligibility is not considered acceptable if the certificate does not clearly state a diagnosis of a significant disability, or it cannot be verified as coming from a State agency, and/or it is illegible.

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

13. Where can I find a local participating NPA in the AbilityOne Program?

NPAs participating in the AbilityOne Program can be found online through https://www.abilityone.gov/abilityone_network/nonprofit.html.

14. How do I contact the Commission compliance staff for more information?

The Commission compliance staff can be reached at [\(703\) 603-2100](tel:7036032100) or complianceinfo@abilityone.gov.

15. What is Direct Labor?

Direct labor is all work required for preparation, processing, and packaging of a product or work directly related to the performance of a service, but not supervision, administration, inspection, or shipping:

- (a) Preparation – Tasks involved in reforming raw materials into components of the product or the product itself, including operation of machinery which performs these activities.
- (b) Processing – Tasks involved in forming or finishing components or products, or in assembling components, or in assembling components into products.
- (c) Packaging – Tasks involved in preparing the finished product for shipment by placing it in one or more containers or wrappings to make it suitable for shipment.
- (d) Service direct labor is the performance of tasks directly required by or specified in the contract Statement of Work (SOW) or Performance Work Statement (PWS).

Any labor that adds value to a product is considered direct labor. Each step of the manufacturing process, such as materials handling, sizing, and sorting, adds value to the product. Therefore, functions throughout the manufacturing process, including the inspection of the product, are classified as direct labor.

Direct labor also includes services that add value to a service or operation. In those cases, it is important to analyze for whom the service is being provided. Two jobs may be functionally similar, but may differ in their categorization as direct labor due to the impact the job has on a product or service.

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

This definition, and more information, can be found in Policy 51.401, “Direct Labor Hour Ratio Requirements,” at https://www.abilityone.gov/laws_regulations_and_policy/documents/Commission%20Policy%2051.401%20Effective%2015Aug2020.pdf

16. What is Indirect Labor?

Indirect labor is “Work that supports the manufacturing process or delivery of services, but does not directly produce the products or services sold to a customer. Indirect labor includes supervision, administration, inspection, material handling, and shipping. Indirect labor also includes cleaning and maintenance of space or equipment belonging to the contractor and used by the contractor during the production of products or performance of services.”

This definition, and more information, can be found in Policy 51.401, “Direct Labor Hour Ratio Requirements,” at https://www.abilityone.gov/laws_regulations_and_policy/documents/Commission%20Policy%2051.401%20Effective%2015Aug2020.pdf

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

17. What are examples of Direct Labor and Indirect Labor?

The following table provides some examples of NPA labor positions with a brief list of tasks performed and whether the job is a direct labor or indirect labor position.

Job Title	Tasks	Location	Direct Labor	Indirect Labor	Reason
Call Center Operator	Receives calls and gives information, or directs callers to appropriate sources	Tier 1 Help Desk (Call Center) Service for DLA	X		Requirement of the SOW
Cashier	Operates cash register, reconciles money	Mess hall on Air Force Base	X		Required in SOW
Forklift Operator	Loads and unloads trucks, signs shipping tickets and bills, maintains forklift, reports operational problems to Manager	NPA loading dock		X	Material handling and administration maintenance
Forklift Operator	Loads and unloads trucks and moves materials around in warehouse	Warehouse contract with the Defense Logistics Agency (DLA)	X		Part of the SOW; the contract for running the warehouse requires performance of these tasks

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

Groundskeeper	Operates mowing and trimming equipment, picks up litter	Grounds maintenance contract on Army Base	X		Work is done as part of a contract requirement
Guard	Provides guard services/ physical security	Various locations	X	X	Direct labor: if PWS/SOW requires guard services/physical security Indirect labor: if guard service is incidental to the SOW
Janitor	Cleans dock/ warehouse, sweeps aisle of production area, cleans bathrooms, empties office trash	NPA production and office areas		X	While required to keep building clean, no value is added to any product or service that the NPA sells
Janitor	Mops bathroom floors, vacuums carpeted areas in offices, empties wastebaskets, dusts	State office building	X		Work is done as part of a contract requirement
Lead Call Center Operator				X	Reflect percentage of time doing supervisory/lead responsibilities

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

Mail Clerk	Prepares letters and packages for mailing, sorts, distributes incoming mail	Mailroom contract in a Federal building	X		Work is directly related to the performance of mail service
Mess Attendant	Serves meals, maintains, walkways/entrances, cleans tables	NPA cafeteria		X	Internal operation not associated with any product or service contract
Mess Attendant	Serves meals, maintains walkways/entrances, cleans tables	Mess hall on Marine Corps Base	X		Work is done as part of a contract requirement
Packer	Places 12 finished items in carton, places four cartons in box, places 96 boxes on pallet, wraps pallet for shipment	NPA production floor	X	X	Direct labor: packing tasks Indirect labor: moving the pallet to storage or onto a truck
Sales Clerk	Assists customers, sells merchandise, straightens merchandise	NPA thrift shop		X	While needed to sell the product, no value is added to the product being sold
Sorter	Sorts incoming goods for repair department,	NPA thrift shop	X		This work adds value to the sale of merchandise

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

	sorts trash into barrels, selects quality items for resale				
Supplier	Distributes pages to workers, picks up completed booklets, transports booklets to packaging area	NPA production area		X	No value added to actual production because it is a material handling function
Trimmer	Jogs sheets to square, trims edges to square, places tray on conveyor	NPA production floor	X		Work is processing of an item for product completion
Truck Driver	Picks up laundry from customer location(s) and delivers it to the laundry facility	Laundry contract, commercial or Federal	X		Work is a requirement of the SOW
Truck Driver	Picks up full paper bins and delivers them to NPA for shredding	Internal Revenue Service document destruction contract	X		Work is a requirement of the SOW
Van Driver	Drives equipment and crew between	NPA mobile crew		X	Duty is not required on any of the individual contracts (even

**U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)**

	contract locations				on a single contract, e.g., a base wide janitorial contract)
Van Driver	Delivers mail from central location(s) to remote location(s)	Mailroom contract with Federal Agency	X		Work is a requirement of the SOW

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

Additional examples of direct labor and indirect labor can be found in the following list of job classifications used in Goodwill retail stores. The Commission and Goodwill International developed the list.

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

Retail Position	Tasks	Direct Labor	Indirect Labor	Reason
Assistant Manager	Supervises retail store in absence of Manager and/or assists Manager in supervision		X	If a percentage of time is spent backing up direct labor or performing store operations, scrutinize PWS to determine if direct labor
Baler	Prepares salvaged textiles for shipment	X		Adds value by packaging (baling) salvaged textiles for shipment
Cashier	Sells merchandise, assists customers, straightens stock		X	
Cleaning	Cleans hard lines merchandise in preparation for stocking	X		Adds value by cleaning hard lines to make more presentable to customers
Clerk/Poster	Takes photos of items selected for posting on shopgoodwill.com and creates a written description of the item	X		Adds value by providing a photo and description to attract prospective buyers
Donation Attendant	Accepts donations, prepares for shipment		X	
Driver	Loads/unloads trucks, moves product		X	
Driver Helper	Assists Driver with Driver tasks		X	
Grading	Sorts and grades saleable product(s) from non-saleable product(s)	X		Adds value by separating saleable items into good, better and best grades

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

Hanging	Puts soft line goods (garments) on hangers in preparation for display on sales floor	X		Adds value by preparing soft lines for presentation to the customer (e.g., a form of packaging and includes preparing hangers)
Manager	Supervises retail store		X	
Material Handler	Moves identified product from point A to point B		X	
Pricing	Places individual price or pin tags on items in preparation for display on sales floor	X		Adds value by identifying the selling price and rotation date of the specific item
Repairing	Repairs product(s) for sale	X		Adds value by returning non-working item(s) to working condition
Sizing	Identifies sizes of garments in preparation for display on sales floor	X		Adds value by further differentiating the garments into sizes
Sorting	Sorts saleable product from non-saleable product	X		Adds value by separating saleable from non-saleable items
Stocking	Places identified saleable items on sales floor in predetermined pattern, removes items from sales floor per instructions from Management		X	Material handler
Testing	Determines if product is useable	X		Adds value by separating working from non-working items

U.S. AbilityOne Commission
Oversight and Compliance Directorate
Frequently Asked Questions
(updated August 20, 2021)

Warehouse	Moves identified product from point A to point B		X	
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