



**Workforce Southwest Washington
Workforce Innovation and Opportunity Act Policy and Procedures**

**ALLOWABLE COSTS AND PRIOR APPROVAL
POLICY #: 1001 Rev 2**

Date of Original Policy: 04/22/03
Effective Revision Date: 11/10/2021

BACKGROUND

The federal Office of Management and Budget (OMB) published 2 CFR Chapter I, Chapter II, Part 200 on December 26, 2013. It provides detailed guidance on allowable costs and audit requirements for all organizations supported by or administering federal funds. OMB 2 CFR Chapter I, Chapter II, Part 200, often referred to as, "The Super Circular", replaced OMB Circular A-21, OMB Circular A-87 and OMB Circular A-122. Additional guidance for for-profit organizations can be found in Title 48 CFR Part 31. WSW, as a non-profit organization, is bound by all Super Circular principles, allowances and requirements, unless super ceded by the terms of a specific grant.

POLICY

Allowable Costs:

OMB 2 CFR Chapter I, Chapter II, Part 200 provides general principles and guidance on selected items and describes allowable and unallowable costs that govern all federal funds. However, specific grant allowances and regulations must also be incorporated into any federally funded program design.

Expenditures of WIOA funds are allowable only for those activities permitted by WIOA Title I and related regulations. Allowable activities are described in Chapter 3, Section 134, "Use of Funds for Employment and Training Activities". Additional guidance regarding supportive services and needs related payments is provided in this section. WIOA Section 129 details the allowable and unallowable activities for the youth program. When planning a program or expenditures, the WDC will review all relevant federal documents and advises its subrecipients of WIOA funds to do the same.

Prior Approval of Certain Costs:

Some equipment and capital expenditures are allowable only if approval is granted prior to the purchase.

2 CFR Part 230 Appendix B Section 15.b (1) states:

"Capital expenditures for general purpose equipment are unallowable as a direct cost except with the prior approval of awarding agency."

WIOA 20 CFR 683.200(b) (2) delegates the authority for granting prior approval for those selected items to the Governor or his designee.

In accordance with 2 CFR Part 230 Appendix B, Section 15, the WDC (and the Employment Security Department) requires that all entities receiving WIOA funds request and obtain prior approval for all single item equipment and capital improvement purchases that cost \$5,000 or more.

If an item requires prior approval a written request must be submitted to:

Barri Horner, Chief Financial Officer
Workforce Southwest Washington
805 Broadway, Suite 412, Vancouver, WA 98660
bhorner@workforcesw.org

WSW will in turn forward such requests to:

ESDGPWorkforceInitiatives@esd.wa.gov

DEFINITIONS:

Capital Expenditures – expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Equipment means an article of non-expendable, tangible personal property having a useful life of more than one year and an acquisition cost of more than \$5,000.

REFERENCES:

All fiscal policies and guidance letters published for WIOA are governed, as appropriate, under:

- Public Law 113-128
- 20 CFR Part 683.200
- 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 2 CFR Part 215 - Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations (OMB Circular 110)
- 2 CFR Part 220 - Cost Principles for Educational Institutions (A-21)
- 2 CFR Part 225 - Cost Principles for State, Local, and Indian tribal Governments (A-87)
- 2 CFR Part 230 - Cost principles for non-profit organizations (A-122)
- Federal Register Vol. 65, No.124, Resources Sharing for Workforce Investment Act One-Stop Centers
- Generally Accepted Accounting Principles (GAAP)
- WIOA Title I Policy 5602 – Supportive Services and Needs-Related Payments
- WIOA Policy #5260 Rev 2 – Allowable Costs and Prior Approval Requirements

Supersedes:

Previously dated WSW Policy #1001 Rev 1 Allowable Costs