

3100POL Allowable Costs, Classification of Costs and Prior Approval Policy

Effective Date: July 2015

Last Modified September 27, 2024

Policy

The policy of the Olympic Consortium is to follow the allowable cost requirements stated in the 2 CFR 200; the Workforce Innovation and Opportunity Act and its regulations, and state policies.

Some equipment and capital expenditures are allowable only if approval is granted prior to the purchase. In accordance with 2 CFR 200, Employment Security requires that all entities receiving WIOA funds request and obtain prior approval for all single item equipment and capital improvement purchases that cost \$10,000 or more.

Factors affecting allowability of costs (§200.403)

Except where otherwise authorized by statute, costs must meet the following general criteria to be allowable under Federal awards (Costs must additionally meet criteria for being reasonable (2 CFR 200.404) and allocable (2 CFR 200.405):

- a. Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- b. Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- c. Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-Federal entity.
- d. Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- e. Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this Part.
- f. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period.
- g. Be adequately documented.
- h. Be incurred during the approved budget period; Federal awarding agencies are authorized, at their discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget period.

Allowable Costs

- a. Expenditures of WIOA funds are allowable only for activities permitted by the WIOA Title I and related regulations. Allowable activities include basic, individualized and follow-up career services, training services, and supportive services.
- b. Allowable basic, individualized, follow-up and training services are described in WIOA Law Section 134(c) (2) and (3).
- c. Allowable supportive services and needs-related payments funds use are described in Section 134(d) (2) and (3) and in WIOA Title I Policy 5602, Revision 5 – Supportive Services and Needs-Related Payments.
- d. Allowable activities for the youth program are detailed in WIOA Law Section 129.
- e. Allowable incentive payments to Title I participants are described in WIOA Title I Policy 5621 Revision 5 – Incentive Payments to WIOA Title I Participants.
- f. Allowable stipend payments to Title I youth participants are described in WIOA Title I Policy 5622, WIOA Title I-B Youth Stipends. General principles and guidance on selected items and on allowable and unallowable costs are provided in 2 CFR Part 200; prohibited activities are specified in Sections 683.235 through 683.270 and Section 679.410 of the Rules.

Classification of Costs

Costs are classified as direct or indirect costs according to 2 CFR 200.400. All costs will be consistently classified to avoid any duplicates within the system. All direct costs will be identified with the principles of the Direct Costs, 2 CFR 200.413. All indirect costs will follow the Indirect Costs, 2 CFR 200.414 principles.

Prior Approval

Some equipment and capital expenditures are allowable only if approval is granted prior to the purchase. The Olympic Consortium requires all entities that receive Consortium funds request and obtain prior approval for all single item equipment and capital improvement purchases that cost \$10,000 or more. This request must be in writing and detail not only the item(s) description and cost but the reason for the proposed purchase. The request will be forwarded to the grantor agency, Washington State Employment Security Department, using the [Request for Approval Form](#) for acceptance or rejection, to esdgpworkforceinitiatives@esd.wa.gov.

REFERENCES

Allowable Cost and Prior Approval Requirements, Washington Information Notice ([WIN](#)) [5260, Revision 5](#)
Cost Principles for Educational Institutions (A-21), [Code of Federal Regulations 2 CFR Part 220](#)
Cost Principles for non-profit organization (A-122), [Code of Federal Regulations 2 CFR Part 230](#)
Cost Principles for State, Local, and Indian Tribal Governments (A-87), [Code of Federal Regulations 2 CFR Part 225](#)
Incentive Payments to WIOA Title I Participants, [Worksource System Policy 5621 \(Rev5\)](#)
[Public Law 113-128, Workforce Innovation and Opportunity Act \(WIOA\) of 2014, Section 185\(b\)](#)
Resources Sharing for Workforce Investment Act One-Stop Centers, [Federal Register Vol. 65, No.124](#)
Supportive Services and Needs-Related Payments, [Workforce Innovation and Opportunity Act 5602 \(Rev5\)](#)
The Federal Accounting Standards Advisory Board, Standards and Guidance Handbook, [Generally Accepted Accounting Principles \(GAAP\)](#)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations (OMB Circular 110), [2 CFR 215](#)
Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as amended on April 22, 2024, [2 CFR Part 200](#)
What general fiscal and administrative rules apply to the use of WIOA Title I and Wagner-Peyser funds? Title 20, Chapter V, Part 683, Subpart B, [20 CFR §683.200](#)
WIOA Title I-B Youth Stipends, [WIOA Title I Policy 5622](#)