

Washington State Workforce Innovation and Opportunity Act Title I-B Policy

Policy Number: 5260, Revision 5

Policy Title: Allowable Cost and Prior Approval Requirements

Effective Date: October 1, 2024

1. Purpose:

To provide guidance and instructions regarding allowable cost and prior approval requirements for Workforce Innovation and Opportunity (WIOA) funds. This fifth revision aligns the policy with amendments to OMB Uniform Guidance issued on April 4, 2024 and effective on October 1, 2024.

2. Background:

The WIOA Title I rule at 20 CFR 683.200 and the "One Stop Comprehensive Financial Management Technical Assistance Guide" (TAG) provide federal direction regarding cost principles and allowable activities funded under WIOA.

Recipients and subrecipients of a federal award under Title I of WIOA and Wagner-Peyser must follow the uniform guidance at 2 CFR parts 200, 215, 255, 230 and appendices I through XI, including any exceptions identified at 2 CFR part 2900.

Commercial organizations, for profit entities, and foreign entities that are recipients and subrecipients of a federal award must follow 2 CFR part 200, including any exceptions identified by the Department under 2 CFR part 2900, and the Federal Acquisition Regulations (FAR), including 48 CFR part 31.

Per 2 CFR 200.403, costs must meet the following criteria to be allowable under Federal awards:

- Be necessary and reasonable for the performance of the Federal award and be allocable under these principles.
- Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- Be consistently treated; 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.
- Conform to Generally Accepted Accounting Principles (GAAP), except as otherwise provided for state and local governments and Indian tribes only.
- 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.
- Be adequately documented.
- 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 periods.

Costs must additionally meet criteria for being reasonable (2 CFR 200.404) and allocable (2 CFR 200.405).

3. **Policy:**

a. Allowable Costs

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.

Allowable basic, individualized, follow-up and training services are described in WIOA Law Section 134(c) (2) and (3).

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.

Allowable activities for the youth program are detailed in WIOA Law Section 129.

Allowable incentive payments to Title I participants are described in WIOA Title I Policy 5621 Revision 5 – Incentive Payments to WIOA Title I Participants.

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.

As a general precaution, recipients of WIOA funds are advised to review all relevant federal documents when planning a program or expenditures.

b. Prior Approval of Certain Costs

Some equipment and capital expenditures are allowable only if approval is granted prior to the purchase. 20 CFR 683.200(b) (2) delegates the authority for granting prior approval for those selected items to the Governor or his designee.

20 CFR 683.235 prohibits the purchase or construction of facilities, except with the prior written approval of the Secretary.

In accordance with 2 CFR Part 230 Appendix B, Section 15, 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

\$10,000 or more.

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.”

If an item requires prior approval a written request must be submitted, using the Request for Approval Form, to:

ESDGPWorkforceInitiatives@esd.wa.gov

4. Definitions:

Equipment - Tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of more than \$10,000.

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.

5. 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 as amended on April 4, 2024](#)
- [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, Rev. 5 – Supportive Services and Needs-Related Payments](#)
- [WIOA Title I Policy 5621, Rev. 5 – Incentive Payments to WIOA Title I Participants](#)
- [WIOA Title I Policy 5622 – WIOA Title I-B Youth Stipends](#)

6. Supersedes:

WIOA Title I Policy 5260, Revision 4 – Allowable Cost and Prior Approval Requirements

7. Website:

[Workforce Professionals Center](#)

8. Action:

Local Workforce Development Boards and their contractors, as well as Employment Security Regional Directors, must distribute this policy broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

9. Attachment:

[Attachment A \(PDF\)](#) - Request for Approval of WIOA Purchase Exceeding \$10,000 per Unit

[Attachment A \(Word\)](#) - Request for Approval of WIOA Purchase Exceeding \$10,000 per Unit

Direct Prior Approval Inquiries To:

*Grants Management Office
Employment System Policy and Integrity Division
Employment Security Department
PO Box 9046
Olympia, WA 98507
ESDGPWorkforceInitiatives@esd.wa.gov*

Direct Other Inquiries To:

*Employment System Administration and Policy
Employment System Policy and Integrity Division
Employment Security Department
P.O. Box 9046
Olympia WA 98507
SystemPolicy@esd.wa.gov*

Attachment A

Request for Approval of WIOA Purchase Exceeding \$10,000 per Unit

Organization:

Address:

Contact person:

Phone number:

E-mail address:

Item name and description of item to be purchased *	Unit Price
	Number of Units: Total Cost: Estimate: (include installation)

* Please attach competitive bidding documentation. If this was not competitively bid, please explain how the vendor was chosen. Also attach a copy of, or link to, your procurement policy.

Signature of Local Approving Authority

Date of Request

To be completed by Employment Security Department:

Purchase Approved:

Purchase Denied:

Reason for Denial:

Chief Financial Officer, Financial Services Division (or designee)

Date

Instructions:

E-mail this request form and accompanying documents to:
ESDGPWorkforceInitiatives@esd.wa.gov