



RIVERSIDE COUNTY
WORKFORCE DEVELOPMENT BOARD

Allowable Costs
POLICY & PROCEDURES

Date: August 15, 2024

Number: 16-05

PURPOSE: To announce, inform, and direct the Riverside County Housing and Workforce Solutions Workforce Development Division (HWS/WDD) staff and all subrecipients of Workforce Innovation and Opportunity Act (WIOA) programs and other federally funded programs of the specific and required guidelines for allowable costs.

EFFECTIVE DATE: Upon Release

- REFERENCES:**
- WIOA Sections [184\(a\)\(3\)](#), [134\(c-d\)](#), [129](#), and [195](#)
 - Title 2 CFR [Part 200](#) "Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards" (Uniform Guidance)
 - Title 2 CFR Par [2900](#) "Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards" (Department of Labor [DOL] Exceptions)
 - Title 21 *Unites States Code* (USC) Section 182
 - Training and Employment Guidance Letter [TEGL No. 15-14](#), Subject: *Implementation of the New Uniform Guidance Regulations* (December 19, 2014)
 - Workforce Services Directive [WSD16-16](#) (February 21, 2017, revised October 6, 2017)

LOCALLY IMPOSED REQUIREMENTS: N/A

BACKGROUND:

On December 26, 2013, the Office of Management and Budget (OMB) issued the Uniform Guidance, which establishes uniform administrative requirements, cost principles, and audit requirements for federal awards. The Uniform Guidance consolidated multiple, previously separate, sets of OMB guidance into one combined set of rules. The following year, the DOL adopted the OMB Uniform Guidance and issued DOL Exceptions.

The Uniform Guidance applies to all federal awards made on or after December 26, 2014. Therefore, beginning with WIOA Program Year (PY) 2015-16 funds, all subrecipients of this funding must adhere to the Uniform Guidance, DOL Exceptions, and corresponding WIOA administrative requirements, cost principles, and audit requirements. For more information on Uniform Guidance implementation, please see TEGL 15-14.

POLICY:

The Riverside County Workforce Development Board, as a recipient of funds under WIOA Title I is required to comply with Uniform Guidance [WIOA Section 184(a)(3)]. This includes general principles and guidance on selected items of cost. The Riverside County Workforce Development Division will utilize the most restrictive local, state, or federal guidelines.

The Employment Development Department (EDD) has compiled a high-level matrix listing the various cost items referenced in Uniform Guidance Sections 200.420 through 200.475 (Attachment 1). The columns in the matrix contain the various entity types, the specific CFR Sections, and DOL Exceptions Sections (if applicable). The matrix also provides a quick reference guide to help indicate whether a cost item is allowable or not. WIOA subrecipients can use the matrix as an initial tool, rather than a final authority, to determine whether or not a cost is allowable or not.

In general, to be an allowable charge to the WIOA, a cost must meet the following criteria:

- Be necessary and reasonable for the performance of the award.
- Be allocable to the award.
- Conform to any limitations or exclusions set forth in the award.
- Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-federal entity.
- Be accorded consistent treatment.
- Be determined in accordance with generally accepted accounting principles.
- Not be used to meet cost sharing or matching requirements of any other federally financed program (without prior approval from the state).
- Be adequately documented.

Expenditures of WIOA funds are only allowable for activities permitted by the WIOA statute or federal regulations. Required and permissible program activities for adult and dislocated workers can be found in WIOA Section 134(c) and (d), respectively. Similarly, allowable program activities for the youth program can be found in WIOA Section 129.

Funds Awarded Prior to December 26, 2014

Funding received prior to December 26, 2014 (i.e., PY 2014-15 funds and before) must continue to follow the terms and conditions of those awards, including the cost principles required under the former OMB circulars. For information on allowable costs under the former OMB circulars, please refer to Workforce Investment Act WIAD03-10.

Prohibited Use of Funds

Lobbying

Subrecipients that receive WIOA Title I funding must comply with the restrictions on political activities as specified in WIOA Section 195.

This provision prohibits the use of WIOA Title I funds for publicity or propaganda purposes or for materials designed to support or defeat the following:

- The enactment of federal, state, or local legislation; proposed or pending regulation; administrative action;
- Or order issued by the executive branch of any state or local government. This also includes prohibition of the use of Title I funds for activities designed to influence the enactment or issuance of legislation; appropriations; regulations; administrative action;
- Or an Executive Order proposed or pending before Congress, any state government, state or local legislature, or legislative body.

Marijuana Industry

Uniform Guidance Section 200.331 requires the state, as the pass-through entity, to advise subrecipients of imposed requirements by federal laws, regulations, and the provisions of contracts or grant agreements, as well as additional requirements imposed by the state. Although California passed Proposition 64, per federal law (21 U.S.C 812), marijuana is classified as a Schedule 1 narcotic and is therefore illegal from a federal standpoint.

As all grant agreements between the DOL and the state must follow all applicable federal statutes, regulations, and policies, WIOA funds cannot be used to directly or indirectly support the marijuana industry including, but not limited to, the use, possession, growth, or distribution of marijuana. This applies to WIOA; Wagner-Peyser; Trade Adjustment Assistance; Veterans' Employment and Training Service; and National Dislocated Worker Grant programs and services including, but not limited to, training, employer outreach, hiring events, career counseling, job orders, and referrals.

Prior Written Approval

The Uniform Guidance includes administrative requirements and cost items that are only allowable with prior written approval from the federal awarding agency or pass-through entity. Subrecipients should review the terms and conditions of their grant agreements to determine the appropriate authority to grant prior approval. As the pass-through entity of WIOA Title I funds, the EDD is responsible for granting prior approval in most cases.

Under any given federal award, the reasonableness and allocability of certain cost items may be difficult to determine. To avoid subsequent disallowance or dispute, subrecipients should obtain prior written approval for the incurrence of special or unusual costs. The following matrix lists key sections of the Uniform Guidance that address when prior written approval is required.

Circumstance	Section
Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts	§200.201 , paragraph (b)(5)
Cost sharing or matching	§200.306
Program income	§200.307
Revision of budget and program plans	§200.308
Real property	§200.311
Equipment	§200.313
Fixed amount sub awards	§200.332
Direct costs	§200.413 , paragraph (c)
Compensation—personal services	§200.430 , paragraph (h)
Compensation—fringe benefits	§200.431
Entertainment costs	§200.438
Equipment and other capital expenditures	§200.439
Exchange rates	§200.440
Fines, penalties, damages and other settlements	§200.441
Fund raising and investment management costs	§200.442
Goods or services for personal use	§200.445
Insurance and indemnification	§200.447
Memberships, subscriptions, and professional activity costs	§200.454 , paragraph (c)
Organization costs	§200.455
Participant support costs	§200.456
Pre-award costs	§200.458
Rearrangement and reconversion costs	§200.462
Selling and marketing costs	§200.467
Taxes (including Value Added Tax)	§200.470
Travel costs	§200.474

Subrecipients should thoroughly review the Uniform Guidance sections referenced above to determine when prior written approval must be obtained and assess if their specific circumstance(s) require prior approval. As indicated in DOL Exception Section 2900.407, the inclusion of item(s) in the statement of work or budget, when awarded, does not constitute prior approval; subrecipients must still follow all applicable policies and procedures outlined in this directive.

Property procurements with a unit acquisition cost of \$5,000 or more must have prior written approval. A non-property related purchase or circumstance that fits into one of the above-

referenced categories may still require prior written approval, regardless of the dollar amount.

Prior Written Approval Procedures

Subrecipients must request prior written approval and submit all necessary supporting documentation, to the HWS/WDD via email no less than 30 days before the requested action is to occur. HWS/WDD will submit prior written approval request on behalf of subrecipients.

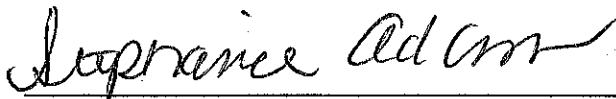
The following factors will be considered in its review of the requests:

- Is this purchase necessary and reasonable?
- Have the best products been selected?
- What other costs are associated with the purchase?
- If applicable, what procurement method will be used?
- If applicable, was a lease option considered in lieu of the purchase?

REVISION HISTORY:

Revision Dates: 8/15/2024, 4/21/2016

Original Policy Date: 01/22/2007



Stephanie Adams, Deputy Director

COST ITEMS MATRIX

THIS COST ITEMS MATRIX SHOULD ONLY BE USED AS A QUICK REFERENCE GUIDE.

The *Workforce Innovation and Opportunity Act (WIOA)*, Title 2 *Code of Federal Regulations (CFR)* Part 200 (*Uniform Guidance*), and Title 2 CFR Part 2900 (Department of Labor [DOL] Exceptions), contain definitive guidance and final authority for determining whether or not a cost is allowable.

The matrix on the following pages identifies the cost items and different types of entities. When determining whether the cost of an item is allowable, users must also refer to the applicable sections of the Uniform Guidance, DOL Exceptions, and WIOA.

Failure to address a particular cost item is not intended to imply that it is allowable or unallowable. Rather, the determination of allowability in each case must be based on the treatment or principles provided for similar or related costs. In the case of a discrepancy between the Uniform Guidance and the provisions of a specific federal award administered by the pass-through entity, the federal award provisions govern. Note also that, in some instances, different cost items may be similarly named, and there may be some overlap between the various cost items.

When reviewing the matrix please use the following legend:

Legend Key	Legend Key Definition
A	Allowable
AP	Allowable with Prior Approval
AC	Allowable with Conditions
U	Unallowable
NS	Not Specified in the Uniform Guidance

If a cost item is denoted with two or more legend keys, users should delve further into the various information sources as they may provide the additional clarity that is needed. If this effort does not provide the necessary information, then subrecipients should contact their Regional Advisor/Project Manager. The "NS" legend key denotes that information may not be readily available. In this event, the subrecipient should seek other sources before contacting their Regional Advisor/Project Manager.

The "AP" legend key denotes that, in some instances, prior written approval will be required from the Cognizant Agency or Governor. In this event, one should adhere to the Uniform Guidance Section 200.407, DOL Exceptions Section 2900.16.

	COST ITEM	Educational Institutions	Non-Profit Organizations	State, Local and Indian Tribal Governments	Uniform Guidance Section	DOL Exception Section
1	Advertising and public relations	A/U	A/U	A/U	200.421	
2	Advisory councils	AC/U	AC/U	AC/U	200.422	
3	Alcoholic beverages	U	U	U	200.423	
4	Alumni/ae activities	U	NS	NS	200.424	
5	Audit services	AC/U	AC/U	AC/U	200.425	
6	Bad debts	U	U	U	200.426	
7	Bonding costs	A	A	A	200.427	
8	Collection of improper payments	A	A	A	200.428	
9	Commencement and convocation costs	AC/U	NS	NS	200.429	
10	Compensation – personal services	A/U	A/U	A/U	200.430	
11	Compensation – fringe benefits	A /U	A /U	A /U	200.431	
12	Conferences	A	A	A	200.432	
13	Contingency provisions	AC/U	AC/U	AC/U	200.433	2900.18
14	Contributions and donations	U	U	U	200.434	
15	Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringement	AC/U	AC/U	AC/U	200.435	
16	Depreciation	AC	AC	AC	200.436	
17	Employee health and welfare costs	A	A	A	200.437	
18	Entertainment costs	U/AP	U/AP	U/AP	200.438	
19	Equipment and other capital expenditures	AP/U	AP/U	AP/U	200.439	
20	Exchange rates	AP	AP	AP	200.440	
21	Fines, penalties, damages and other settlements	U/AP	U/AP	U/AP	200.441	
22	Fund raising and investment management costs	U/AP/A	U/AP/A	U/AP/A	200.442	
23	Gains and losses on disposition of depreciable assets	AC	AC	AC	200.443	

	COST ITEM	Educational Institutions	Non-Profit Organizations	State, Local and Indian Tribal Governments	Uniform Guidance Section	DOL Exception Section
24	General cost of government	NS	NS	U/A	200.444	
25	Goods or services for personal use	U/AP	U/AP	U/AP	200.445	
26	Idle facilities and idle capacity	AC/U	AC/U	AC/U	200.446	
27	Insurance and indemnification	AC/U	AC/U	AC/U	200.447	
28	Intellectual property	A/U	A/U	A/U	200.448	
29	Interest	AC/U	AC/U	AC/U	200.449	
30	Lobbying	U	U	U	200.450	
31	Losses on other awards or contracts	U	U	U	200.451	
32	Maintenance and repair costs	A	A	A	200.452	
33	Material and supplies costs, including costs of computing devices	A	A	A	200.453	
34	Memberships, subscriptions, and professional activity costs	A/U	A/U	A/U	200.454	
35	Organization costs	U/AP	U/AP	U/AP	200.455	
36	Participant support costs	AP	AP	AP	200.456	
37	Plant and security costs	A	A	A	200.457	
38	Pre-award costs	AP	AP	AP	200.458	
39	Professional services costs	A	A	A	200.459	
40	Proposal costs	A	A	A	200.460	
41	Publication and printing costs	A	A	A	200.461	
42	Rearrangement and reconversion costs	A/AP	A/AP	A/AP	200.462	
43	Recruiting costs	A/U	A/U	A/U	200.463	
44	Relocations costs of employees	AC/U	AC/U	AC/U	200.464	
45	Rental costs of real property and equipment	AC/U	AC/U	AC/U	200.465	
46	Scholarships and student aid costs	AC	NS	NS	200.466	
47	Selling and marketing	U/AP	U/AP	U/AP	200.467	
48	Specialized service facilities	AC	AC	AC	200.468	
49	Student activity costs	U/AP	U/AP	U/AP	200.469	2900.19

	COST ITEM	Educational Institutions	Non-Profit Organizations	State, Local and Indian Tribal Governments	Uniform Guidance Section	DOL Exception Section
50	Taxes	AC	AC	AC	200.470	
51	Termination costs	AC/U	AC/U	AC/U	200.471	
52	Training and education costs	A	A	A	200.472	
53	Transportation costs	A	A	A	200.473	
54	Travel costs	AC	AC	AP	200.474	
55	Trustees	A	A	NS	200.475	