



## Workforce Innovation and Opportunity Act (WIOA) Policies and Procedures

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### Allowable Cost and Prior Approval Policy

**Policy Number:** F-2003, Rev. 2

**Release Date:** September 1, 2022

**Supersedes:** Allowable Cost and Prior Approval Policy #F-1003, Rev. 1, effective January 1, 2017

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#### PURPOSE

To provide guidance regarding allowable costs and prior approval requirements of the Workforce Innovation and Opportunity Act (WIOA) Title I funds.

The purpose of this policy revision is to ensure alignment with Employment Security Department's (ESD) revised [Policy 5260, Rev. 3 – Allowable Cost and Prior Approval Requirements](#) and to update WorkForce Central prior approval requirements.

#### BACKGROUND

[20 CFR Section 683.200](#) and the [One-Stop Comprehensive Financial Management Technical Assistance Guide, Part II](#) 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, 230, 255, and appendices I through XI, including any exceptions identified at [2 CFR part 2900](#).

Commercial and for-profit organizations that are also recipients and subrecipients of a federal award must follow 2 CFR part 200, including any exceptions identified at 2 CFR part 2900 and the [Federal Acquisition Regulations \(FAR\)](#) including [48 CFR part 31](#).

#### POLICY

WorkForce Central complies with allowable cost principles at 2 CFR 200 Subpart E, Washington State Employment Security Department (ESD) policy [5260, Rev. 3-Allowable Cost and Prior Approval Requirements](#), and applicable federal, state, and local policies and regulations. WorkForce Central will ensure its subrecipients and contractors comply with appropriate cost principles and administrative rules through ongoing oversight and monitoring reviews.

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, supportive, training, and follow-up 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 are described in Section 134(d) (2) and (3) and in ESD's [WIOA Policy 5602, Rev. 3 – Supportive Services and Needs-Related Payments](#).

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

Allowable use of incentive payments to Title I participants is described in [ESD Policy 5621, Rev. 4- Incentive Payments to WIOA Title I Participants](#).

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](#).

As a general precaution, recipients of WIOA Title I 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.

[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." [20 CFR 683.235](#) prohibits the purchase or construction of facilities, except with the prior written approval of the Secretary of the Department of Labor (DOL).

[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, 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.

When requesting prior approval, WorkForce Central will complete [ESD's Request for Approval Form](#), and submit to: [ESDGPWorkforceInitiatives@esd.wa.gov](mailto:ESDGPWorkforceInitiatives@esd.wa.gov).

WorkForce Central subrecipients and contractors must receive prior WorkForce Central approval for equipment and capital expenditures over \$5,000, and for approval for first class travel by submitting an email to their WorkForce Central contract manager.

## REFERENCES

- 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 Policy 5602, Rev. 3 - Supportive Services and Needs-Related Payments
- WIOA Policy 5621, Rev. 4 – Incentive Payments to WIOA Title I Participants

**APPROVED**

  
Katie Condit (Sep 1, 2022 16:05 PDT)

WorkForce Central CEO

Sep 1, 2022

Date

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