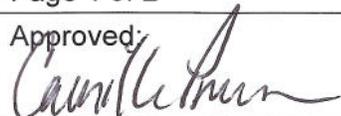


<b>Department of Community Colleges and Workforce Development</b>	Number: 589-10.06
	Revised Date: 08/14/08
	Page 1 of 2
<b>SUBJECT: Workforce Investment Act Title IB Cost Principles, Allowable Costs and Cost Allocation</b>	Approved: 

Purpose: To provide guidance regarding the general cost principles and allowable costs under the workforce Investment Act (WIA) Title IB program.

References: Public Law 105-220 Sections 117 (f)(1), 134(d), 181(d) and (e), 184(2) and (3), and 188(a)(3)  
WIA Final Rule, 20 CFR and 667.200 through 667.268  
As appropriate:  
48 CFR Part 31  
29 CFR 95.27  
29 CFR 97.22  
OMB Circular A021  
OMB Circular A-87  
OMB circular A-122  
Indirect Cost Rate Determination Guide: Cost Principles and Procedures for Non-Profit Organizations  
One-Stop Comprehensive Financial Management Technical Assistance Guide, Chapter ii-3 and 4.

Definitions: None

Policy: All subrecipients who receive WIA Title I funding must follow the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local governments specific to their kind of organization. In addition, all procurement contracts and other transactions between Local Boards and the state or local governments must be conducted only on a cost reimbursement basis. No provision for profit is allowed. Allowable costs must be necessary, reasonable, allowable and allocable to the grant.

Fiscal agents are required to include a process for approving their subrecipient's cost allocation methodology.

Certain costs are allowable only if approval is granted prior to incurring the cost. Examples of costs requiring prior approval include: fixed assets with a cost equal to \$5,000 or more; memberships in civic organizations; or rearrangements of facilities to accommodate remodeling. The WIA Regulations, 20 CFR 667.200(c) delegates the authority for granting prior approval to those selected items of cost to the governor or designee [CCWD is the designee]. When planning purchases, subrecipients should refer to the appropriate OMB circular to identify selected items of cost. If a specific item of cost requires prior approval, please submit your request and cost methodology in writing to:

Local Area Liaison  
Department of Community Colleges and Workforce Development  
255 Capitol St. NE, 3<sup>rd</sup> Floor  
Salem, OR 97310

SUBJECT: Workforce Investment Act Title 1B  
Cost Principles, Allowable Costs and Cost Allocation

Number: 589-10.06

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Procedures:

Responsibility

Action

Fiscal Agents/  
Subrecipient

Establish and maintain a financial system that assures financial integrity and control of WIA funds in conformance with the prescribed rules, regulations and OMB circulars. Ensure that costs charged to the grant meet the standards for allowability. Bring this policy to the attention of all affected staff and all subrecipients.

CCWD

Monitor the subrecipient for compliance with this policy.