



ALLOWABLE COSTS

PURPOSE

To establish parameters around allowable costs based upon federal and state WIOA regulations and guidelines.

POLICY

Only costs allowed pursuant to fully executed contracts and those included in the adopted or amended budget shall be allowed.

In addition, costs must be reasonable by not exceeding that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining the reasonableness of a given cost, consideration will be given to the following:

- a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the federal award.
- b. The restraints or requirements imposed by factors such as sound business practices; arms-length bargaining, federal, state and other laws and regulations; and, terms and conditions of the federal award.
- c. Market prices for comparable goods and services.
- d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the federal government. Significant deviation from established practices of the governmental unit which may unjustifiably increase the federal award cost.

For CAPITAL purchases of \$5,000 and over with WIOA funds, approval of the State of Oregon, HECC is required.

When planning programs or expenditures, Rogue Workforce Partnership will review all relevant federal documents and advise sub recipients of WIOA prohibitions against specific activities; OMB circulars, which provide general principles and guidance on selected items and describe allowable and unallowable costs; and regulations which prohibit the purchase or construction of facilities and describes some exceptions regarding permitted renovation and repair costs.

Approved by:


Rogue Workforce Partnership Chair

Date:

10-22-18