



POLICY NUMBER
87

Administrative Policy

Title:	Prior Approval Administrative Policy for Regional Workforce Boards
Program:	Department of Economic Opportunity, Division of Finance and Administration, Office of Grants Management
Adopted:	June 10, 2015
Effective:	June 10, 2015

I. PURPOSE/SCOPE

To establish policy for obtaining approval for administrative requirements and cost items that are only allowable with written prior approval from the awarding department.

II. BACKGROUND

This policy clarifies and replaces the Prior Approval Guidance for RWBs.

The Office of Management and Budget (OMB) regulation 2 CFR 200, known as the Uniform Guidance, establishes principles and standards for determining allowable activities and costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements. Some administrative requirements and cost items are allowable only with prior written approval from the federal awarding agency (see Attachment I), unless this authority has been delegated to DEO by the federal awarding agency.

III. AUTHORITY

Title 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"

DEO, FG-OGM-84, Guidance on Use of Funds for the Purchase of Outreach/Informational Items

IV. POLICIES AND PROCEDURES

Subrecipients must follow the applicable federal regulations and CareerSource Florida administrative policy pertaining to prior approval for determining when prior written approval must be obtained from the DEO Grants Management Office. Prior approval by DEO is given based on the limited facts presented as justification for the proposed expenditure; therefore, should the actual expenditure not be in accordance with the facts presented or federal requirements, DEO may question or disallow the expenditure. Factors affecting this include, but are not limited to:

- Inadequate documentation;
- Failure to follow internal, state, or federal policies;
- Expenditure is not necessary and/or reasonable; or
- Failure to comply with applicable federal laws or regulations.

All requests for prior approval should be submitted by email to PriorApprovalRequests@deo.myflorida.com. Once DEO Grants Management receives all completed information, the requestor will receive email notification stating whether the request is approved or declined by the authorized official.

Annual Prior Approval: If a Regional Workforce Board would like to receive an annual approval for purchases of outreach/informational items, a request should be submitted to the DEO Office of Grants Management using the form (See Attachment II).

Prior Approval Requests: The comprehensive list of these circumstances in which prior approval is required by the Uniform Guidance is located at 2 CFR 200.407, and in Attachment I. If prior approval is required, requestors must complete and submit the “Prior Approval Request Form,” (see Attachment III).

Please note that the definition of participant support costs found in the Uniform Guidance at 2 CFR 200.75 does **not** apply to the employment and training programs funded by WIOA/WIA, TANF and SNAP, therefore costs of training and supportive services do not require prior approval.

Funding Allowability

Because some grants may have limitations, caution should be exercised when using costs pools and when making funding decisions. Regional Workforce Boards must follow the special terms and conditions in the Notices of Fund Availability and make allowable funding decisions, as appropriate.

Title 2 CFR 200.439(7) states that equipment and other capital expenditures are unallowable as indirect costs. This means that if prior approval is requested for a capital item and the funding source for that capital purchase is a cost pool that allocates in part to indirect costs, a funding decision must be made (and made a part of the prior approval request) to substitute an unrestricted funding source for the indirect cost allocation. By doing so, the subrecipient acknowledges that it is foregoing depreciation to indirect. However, if a capital item is purchased entirely with unrestricted funds, then depreciation expense determined in accordance with 2 CFR 200.436 may be allocated to indirect as well as direct funding sources.

Documentation

Retain clear supporting documentation for all costs associated with prior approval requests in order to establish that the expenditure:

- Meets the cost principles (is necessary and reasonable for proper and efficient performance and administration of the grant);
- Is allocable to the grant based upon benefits received;
- Is authorized or not prohibited under state or local laws or regulations;
- Conforms to any limitations or exclusions set forth in the Uniform Guidance, federal laws, terms and conditions of the federal award, or other governing regulations as to types or amounts of cost items; and
- Is consistent with policies, regulations, and procedures that apply.

DEO may request additional justification, especially if the purchase is of a large quantity or amount.

V. DEFINITIONS

Prior Written Approval: Written approval by an “authorized official” evidencing prior consent.

Authorized Official: An appropriate member of management from the awarding agency (DEO). For purposes of this administrative policy, the DEO Grants Management Section leader is the authorized official. For items requiring federal awarding agency approval, unless otherwise noted in the grant award, the grant officer is the authorized official.

VI. ATTACHMENTS

Attachment I – Costs Items Requiring Prior Approval
Attachment II – Annual Prior Approval Request Form
Attachment III – Prior Approval Request Form

Attachment I

Department of Economic Opportunity Cost Items Requiring Prior Approval

Item	Uniform Guidance Reference	Description	Approving Department ⁽¹⁾
Special or unusual costs (catch-all)	200.407 Introductory text	Ensure reasonableness and allocability	Federal awarding agency
Fixed amount awards	200.201(b)(5)	Changes in principal investigator, project leader, project partner, or scope of effort	DEO
Cost sharing or matching	200.306	Unrecovered indirect costs may be included as part of cost sharing or matching	Federal awarding agency
Program income	200.307(e)(2)	Program income may be added to the award	Federal awarding agency
Program income	200.307(e)(3)	Program income may be used to meet the cost sharing or matching requirement of the federal award	Federal awarding agency
Revision of budget and program plans	200.308(c)	Listed program or budget-related changes	Federal awarding agency
Construction federal awards	200.308(g)	Changes to scope or objective; need for additional federal funds to complete the project; or a revision is desired for which prior written approval requirements may be imposed	Federal awarding agency
Real property	200.311(c)	Obtain disposition instructions for real property acquired or improved under a federal award is no longer needed for the originally authorized purpose	DEO
Equipment	200.313(a)(2)	Encumber the title of property acquired under a federal award	DEO
Equipment	200.313(e)	Instructions for disposition of equipment acquired under a federal award that is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency	Federal awarding agency
Intangible property	200.315(a)	Encumber the title of property acquired under a federal award	Federal awarding agency
Fixed amount subawards	200.332	Provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the requirements for fixed amount awards in §200.201	Federal awarding agency
Direct costs	200.413(c)	Direct charging of administrative and clerical staff salaries	Federal awarding agency
Compensation — personal services	200.430(i)(6)	Alternative proposal for personnel expense documentation based on outcomes and milestones for program performance	Federal cognizant agency for indirect cost
Compensation — fringe benefits	200.431(i)(2)(ii)	Costs of abnormal or mass severance pay	Federal awarding agency
Compensation — fringe benefits	200.431(i)(4)	Severance payments to foreign nationals employed by the non-federal entity outside the U.S., to the extent that the amount exceeds the customary or prevailing practices for the non-federal entity in the U.S.	Federal awarding agency
Compensation — fringe benefits	200.431(i)(5)	Severance payments to foreign nationals employed by the non-federal entity outside the U.S. due to the termination of the foreign national as a result of the closing of, or curtailment of activities by, the non-federal entity in that country	Federal awarding agency

Item	Uniform Guidance Reference	Description	Approving Department ⁽¹⁾
Entertainment costs	200.438	Costs of entertainment, including amusement, diversion, and social activities and any associated costs that have a programmatic purpose	Federal awarding agency
Equipment and other capital expenditures	200.439(b)(1)	Direct charge capital expenditures for general purpose equipment, buildings and land	DEO
Equipment and other capital expenditures	200.439(b)(2)	Capital expenditures for special purpose equipment	DEO
Equipment and other capital expenditures	200.439(b)(3)	Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life	DEO
Exchange rates	200.440(a)	Cost increases for fluctuations in exchange rates which results in the need for additional federal funding	Federal awarding agency
Fines, penalties, damages and other settlements	200.441	Costs resulting from non-Federal entity violations of, alleged violations of, or failure to comply with, Federal, state, tribal, local or foreign laws and regulations	Federal awarding agency
Fund raising and investment management costs	200.442(a)	Fund raising costs for the purposes of meeting the Federal program objectives	Federal awarding agency
Goods or services for personal use	200.445(b)	Direct costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses	Federal awarding agency
Insurance and indemnification	200.447(b)(2)	Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, federal government property	Federal awarding agency
Memberships, subscriptions, and professional activity costs	200.454(c)	Costs of membership in any civic or community organization	DEO
Organization costs	200.455	Costs such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselor in connection with establishment or reorganization of an organization	Federal awarding agency
Participant support costs	200.456	Direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects	Federal awarding agency
Pre-award costs	200.458	Costs incurred prior to the effective date of the federal award directly pursuant to the negotiation and in anticipation of the federal award where such costs are necessary for efficient and timely performance of the scope of work	Federal awarding agency
Rearrangement and reconversion costs	200.462(a)	Direct cost for special arrangements and alterations costs incurred specifically for a federal award	DEO
Selling and marketing costs	200.467	Direct costs of selling and marketing any products or services when necessary for the performance of the federal award	Federal awarding agency
Taxes (including Value Added Tax)	200.470(c)	Use of the foreign government value added tax refunds for approved activities under the federal award (where the federal award has not expired)	Federal awarding agency
Travel costs	200.474(a)	Travel costs of governmental officials covered by §200.444 when specifically related to the federal award	DEO
Travel costs	200.474(b)(2)	Travel costs of dependents of six months or more in duration	Federal awarding agency

Notes:

(1) USDOL, ETA has delegated prior written approval authority to the state for its formula funded programs.

Attachment II

**Department of Economic Opportunity (DEO)
Annual Prior Approval Request Form**



From _____ through _____

RWB Number and Name

Name / Title of Requestor Representative:

DEO USE ONLY	
Approved / Declined:	<input style="width: 100%; height: 20px;" type="text"/>
Disposition Date:	<input style="width: 100%; height: 20px;" type="text"/>

Prior approval is only applicable for those funds directly allocated from DEO for which the Department has been granted prior approval authority from the appropriate federal agency. DEO's granting of prior approval is based on the limited information submitted with the request. The expenditure may still be questioned or disallowed. Factors that may be considered by a monitor or auditor include, but are not limited to: inadequate documentation; failure to follow internal, state, or federal policies or procedures; expenditure is determined either not necessary or not reasonable; or non-compliance with applicable federal or state law or regulations.

Prior Approval Items	Reference	Annual Approval Requested? (Yes or No)	Estimated Annual Total for Cost Item Activity
Outreach/Informational Items			
Outreach/Informational Items	Guidance on Use of Funds for the Purchase of Outreach/Informational Items - FG-OGM-84		
Items requested	Anticipated Timeframe for Distribution	Anticipated Volume	Anticipated Cost
Portfolios/folders			
Pens/pencils			
Flash drives			
Tote bags			
Exact message to be included on items			
Intended recipients of the items			
Specific funding sources			

Attachment III



**Department of Economic Opportunity (DEO)
Prior Approval Request Form**

For the Equipment and other capital expenditure cost items, this prior approval request form must be used for any expenditure that meets the lesser of the capitalization threshold established by the requestor or \$5,000. It is also used for all other prior approval requests not authorized by the annual prior approval available for a specific period.

TO: DEO Budget Management – Grants Section

Request Date:

RWB Number:

Name of Requesting Entity:

Local Capitalization Threshold:

Prior Approval for:

Total Amount Requested:

Is this a request for retro-active approval? Yes No

If yes, enter action date:

DEO USE ONLY	
Approved / Declined:	<input type="text"/>
Disposition Date:	<input type="text"/>

Narrative Summary:

[Provide sufficient description and other information here for the specific prior approval requested to allow the Department to determine whether the request is necessary and reasonable for the program. For example, if you are requesting new equipment you would need to demonstrate the necessity of the addition, describe how you currently operate without the equipment, and explain how the addition of the equipment will enhance your productivity or reduce costs, an explanation of your cost/price analysis, etc.]

Cost Summary:

[Where applicable, provide estimated cost amount here. Include line item detail of expenditure(s), if needed. If more room is needed, please attach additional information to this request form. \$

Proposed Funding Source:

[Where applicable, provide estimated funding source/grant program.]

Additional Information:

[Include any additional information, research or other comments you feel necessary for DEO to complete an analysis of this approval request. For example, if purchasing new equipment, please explain if any existing equipment will be traded or disposed and if any proceeds from sale of existing equipment will be utilized in the purchase.]

ADDITIONAL INFORMATION ATTACHED: Yes No

Certification Statement:

PLEASE NOTE THAT TRANSMISSION OF THIS REQUEST FORM TO DEO INDICATES YOUR ACKNOWLEDGEMENT OF APPLICABLE PURCHASING POLICIES AND/OR PROCUREMENT STANDARDS FROM THE OMB CIRCULARS OR OTHER PROGRAM GUIDELINES. TRANSMISSION OF THIS REQUEST FORM TO DEO ALSO INDICATES COMPLIANCE WITH THE ABOVE-MENTIONED STANDARDS.

**Name/Title of Requestor
Representative:**

Date Signed:

NOTES:

Any approval authorized by DEO is only applicable to funding that DEO provides directly to the DEO subrecipient.

DEO's granting of prior approval is given based on the limited facts presented as justification for the proposed expenditure. In the event that the actual expenditure is not in accordance with the facts presented or OMB requirements, the expenditure can still be questioned or disallowed. Factors affecting this include, but are not limited to:

- Inadequate documentation;**
- Failure to follow internal, state, or federal policies;**
- Expenditure is not necessary and reasonable or**
- Failure to comply with applicable federal law or regulations.**