



**Division of Finance and
Administration
Office of Grants Management**

FG-OGM-85

TITLE:	Prior Approval Guidance for DEO Workforce Subrecipients
RESPONSIBLE OFFICE:	Division of Finance and Administration, Office of Grants Management
EFFECTIVE:	August 20, 2014

I. PURPOSE/SCOPE

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

II. BACKGROUND

The Office of Management and Budget (OMB) Circulars establish 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 approval from the awarding department. Outlined in Attachments I and II are those administrative requirements and cost items that require prior approval. Additionally, the attachments outline whether these items are available for annual approval.

III. REVISION INFORMATION (if applicable)

This guidance clarifies and replaces the Final Guidance DEO FG 11-069, Prior Approval Procedures.

IV. AUTHORITY

OMB Circulars A-87, A-122, A-21, and A-110

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

Note: On December 26, 2014, this guidance will be revised to incorporate any updates resulting from the implementation of 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

V. DEFINITIONS

Prior 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 guidance, the DEO Grants Management Section leader is the authorized official.

VI. APPLICABILITY

The policy and procedures contained in this guidance apply to the use of federal or state grant funding from DEO that is received by workforce subrecipients and any of their subrecipients.

VII. PROCEDURES/POLICY

Subrecipients must follow the applicable OMB circulars and any existing DEO guidance pertaining to prior approval for determining when written prior approval must be obtained from the DEO Grants Management Office. DEO's granting of prior approval 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 OMB 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.

Submit all requests for prior approval 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 for Selected Items of Cost: By June 30th of each year, each requestor must complete and submit the "Annual Approval Request Form." The form is located at www.floridajobs.org/grants_mgt/AnnualPriorApprovalRequestForm.xlsx. Where applicable, requestor should use cost estimates based on the data available at the time to complete the form for the upcoming fiscal year. A list of the selected administrative requirements and cost items that are currently eligible for annual approval are disclosed in Attachment I and Attachment II of this DEO Guidance Paper.

Prior Approval Requests for Other Individual Items: Prior to incurring expenditures for the remaining OMB circular items requiring prior approval (but are not on the Annual Prior Approval Request Form), requestors must complete and submit the "Prior Approval Request Form – Other Individual Items." This form is located at: http://www.floridajobs.org/grants_mgt/IndividualPriorApprovalRequestForm-RWB.doc

VIII. FUNDING ALLOWABILITY

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

IX. 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 principles, 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.

Department of Economic Opportunity
 Cost Items Requiring Prior Approval

Items	Ref # from OMB A-87	Ref # from OMB A- 122	A-87 – State, Local & Governments (Attachment B) ⁽¹⁾	A-122 – Non Profit Organizations (Attachment B) ⁽¹⁾	Is Annual Approval Available? ⁽²⁾
Advisory councils	2	2	Required	Required	YES
Audit services	4	4	Other than A-133	Other than A-133	NO
Compensation for personnel services	8	8	N/A	Certain overtime, etc.	YES
Compensation for personnel services	8	8	Some pension	Unemployment compensation on an actual payment method	YES
Compensation for personnel services	8	8	Abnormal or mass severance pay	Personal use of company owned or company leased vehicle	NO
Compensation for personnel services	8	8	N/A	Certain severance for foreign nationals	NO
Compensation for personnel services	8	8	Substitute systems to allocate salaries and wages	Substitute systems to allocate salaries and wages	NO
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement	10	10	N/A	Required	NO
Depreciation and use allowances	11	11	Changes in methods	Changes in methods	NO
Equipment and other capital expenditures	15	15	Required to expense at time of purchase	Required to expense at time of purchase	NO
Fines and penalties	16	16	Not allowed unless incurred as a result of compliance with specific provisions of an award or instructions in writing from the awarding department ⁽³⁾	Not allowed unless incurred as a result of compliance with specific provisions of an award or instructions in writing from the awarding department ⁽³⁾	NO
Gains and losses on depreciable assets	18	18	Substantial relocation of Federal Programs	N/A	NO
Housing and personal living expenses	-	20	N/A	Required	NO
Interest	23	23	N/A	Relocation	NO
Memberships, subscriptions, and professional activity costs	28	30	Civic, community or social organizations	Civic or community organizations	NO
Organization costs	-	31	N/A	Required	NO
Participant support costs	-	33	N/A	Required	YES
Pre-award/Pre-agreement costs	31	36	Required	Required	NO
Proposal costs	33	-	Required if direct charge	-	YES
Rearrangement and alteration costs	35	39	Special for project	Special for project	NO
Selling and marketing	39	45	N/A	Required	NO
Training costs	42	49	N/A	Full-time, post- graduate education	NO
Travel costs	43	51	Travel of officials under general government expenses/Foreign travel	Foreign travel	NO

Notes:

(1) The cost items listed here require written prior approval by the awarding department.

(2) "NO" answers indicate this administrative requirement is not eligible for approval using the Annual Prior Approval Request Form. Approval for this item requires completion and submittal of the "Prior Approval Request Form-Other Individual Items" to DEO for review.

"YES" answers indicate this cost item is eligible for approval using the Annual Prior Approval Request Form.

(3) Charges for emergency personnel, such as police, to respond to security alarms, however termed, are considered allowable user fees, not Fines and Penalties requiring prior approval.

Department of Economic Opportunity
 Administrative Requirements Requiring Prior Approval

Provision Requiring Prior Approval ⁽¹⁾	Common Rule for Governments (29 CFR 97) ⁽²⁾	A-110 for Nonprofit Organizations ⁽²⁾	Is Annual Approval Available? ⁽³⁾
Change in scope or objective	___30(d)(1)	___25(c)(1)	NO
Change in key person	___30(d)(3)	___25(c)(2)	NO
Absence 3 months/25% of key person	N/A	___25(c)(3)	NO
Need for additional Federal funding	___30(c)(1)(i) + ___30(c)(2)	___25(c)(4)	NO
Transfers between direct & indirect costs	N/A	___25(c)(5)	NO
Items in cost principles requiring prior approval	___30(b)	___25(c)(6)	NO
Transfer of training allowances to other categories	___30(c)(1)(iii)	___25(c)(7)	NO
Contracting out any work under an award	___30(d)(4)	___25(c)(8)	NO
Carry forward unobligated balances	N/A	___25(e)(3)	NO
Extension of expiration date of award	___30(d)(2)	___25(e)(2)	NO
Incur pre-award costs	N/A	___25(e)(1)	NO
Transfer of funds among direct cost categories in projects over \$100,000 or 10%	___30(c)(1)(ii)	___25(f)	NO
Transfers between construction & non-construction	___30(c)(3)	___25(j)	NO
Extension to liquidate obligations	___23(b)	___71(b)	NO
Full value of real property or equipment as match	___24(e)	___23(g)(2)	NO
Use of unrecovered indirect as match	N/A	___23(b)	NO
Disposition of real property	___31(c)	___32(c)	NO
Encumbrance of real property	N/A	___32(a)	NO
Use of real property in other projects	N/A	___32(b)	NO
Disposition of equipment FMV \$5,000 or more	___32(c) & (f)	___34(g)	NO
Encumbrance of equipment	N/A	___34(c)	NO
Replacement of equipment	___32(c)(4)	___34(e)	NO
Encumbrance and disposition of intangible property	N/A	___36(e)	NO
Substitution of copies for original records.	N/A	___53(c)	YES

Notes:

- (1) The administrative requirements listed here require written prior approval by the awarding department.
- (2) The OMB Circular or other federal regulation reference number is provided for each administrative requirement referenced.
- (3) "NO" answers indicate this administrative requirement is not eligible for approval using the Annual Prior Approval Request Form. Approval for this item requires completion and submittal of the "Prior Approval Request Form-Other Individual Items" to DEO for review. "YES" answers indicate this cost item is eligible for approval using the Annual Prior Approval Request Form.

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



From _____ through _____

RWB Number and Name: _____

Name / Title of Requestor Representative: _____

Local Capitalization Threshold: _____ Request Date: _____

Applicable OMB Guidance: Common Rule/A-87 ____ A-110/A-122 ____

DEO USE ONLY	
Approved / Declined:	_____
Disposition Date:	_____

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
Administrative Requirements			
Substitution of copies for original records	A-110 _53(c) N/A for Governmentals	Automatic approval provided	N/A
Selected Cost Items			
Advisory councils	A-87, Cost Item # 2 A-122, Cost Item # 2	Automatic approval for advisory councils included in approved local plans	N/A
Compensation for personnel services- certain overtime, etc.	A-87, Not applicable A-122, Cost Item # 8		
Compensation for personnel services- unemployment compensation on an actual	A-87, Cost Item # 8 A-122, Cost Item # 8		
Participant support costs	A-87, Not applicable A-122, Cost Item # 33	Automatic approval for supportive services provided within the terms and conditions of the grant agreement	N/A
Proposal costs	A-87, Cost Item # 33 A-122, Not applicable		
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			



Department of Economic Opportunity (DEO) Prior Approval Request Form – Other Individual Items

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: Cost Item(s) Administrative Requirement

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

If yes, enter action date:

Applicable OMB Common Rule/OMB A-87 OMB A-110/A122
Guidance:

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 here in accordance with the funding allowability matrix on page 3 of the Prior Approval Guidance for DEO Workforce Subrecipients. Generally you should specify that the purchase will be charged to programs in accordance with your approved cost allocation plan with allowable funding decisions as appropriate.]

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 sub-recipient.

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.**