

	Policy No: A-104
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	New <input type="checkbox"/> Revised <input checked="" type="checkbox"/>
ALLOWABLE COSTS	

PURPOSE

The purpose of this policy is to assure that SOWIB funds, which are primarily taxpayer dollars, will be used appropriately.

DEFINITIONS

1. CCWD. State of Oregon Department of Community Colleges and Workforce Development.
2. OMB. Federal Office of Management and Budget.
3. WIOA. Federal Workforce Innovation and Opportunity Act of 2014.

POLICY

1. Only costs allowed pursuant to applicable funding source(s) and those included in the adopted budget shall be allowed.
2. 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; arm's length bargaining; federal, state and other laws and regulations; and, terms and conditions of any federal award.
 - c. Market prices for comparable goods or services.
 - d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the organization, its employees, the public at large, and the state and federal governments. Significant deviation from the established practices of the governmental unit which may unjustifiably increase the federal award cost are not allowed.
3. For capital purchases of \$5,000 and over with federal funds, approval of the funder is required.

4. When planning a program or expenditures, the SOWIB will review all relevant federal documents and advise sub recipients of funds to do the same, particularly relevant Federal rules and regulations, including Sections of the Final Rules implementing WIOA that describe prohibitions against specific activities; OMB circulars, which provide general principles and guidance on selected items and describe allowable and unallowable costs; and Sections that prohibit the purchase or construction of facilities and describes some exceptions regarding permitted renovation and repair costs.