

**Final Guidance on Prior Approval Procedures
for
Selected Costs and Administrative Requirements**

March 8, 2005



Agency for Workforce Innovation

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Reference: Prior Approval Procedures using Federal or State Grant Awards

FINAL GUIDANCE

Prior Approval Procedures

OF INTEREST TO:

Workforce Florida Inc. and Regional Workforce Boards (RWB's) in implementing federal and state workforce programs listed in Chapter 445, Florida Statutes.

SUBJECT:

Obtaining written prior approval from AWI for selected cost items and administrative requirements.

PURPOSE:

To define and describe when prior approval of selected cost items and administrative requirements is required and how the approval can be obtained.

DEFINITIONS:

Prior Approval: written approval by an "authorized official" evidencing prior consent¹.

Authorized official: an appropriate member of management from the awarding agency (AWI). For purposes of this guidance, the AWI Grants Management Section leader is the authorized official.

BACKGROUND AND UNDERLYING FEDERAL POLICY:

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 agreements². Some administrative requirements and cost items are allowable only with prior approval from the awarding agency.

STATE GUIDANCE:

The applicable OMB Circulars must be followed when determining the cost items and administrative requirements that require prior approval. To streamline the approval process, AWI has provided the following guidance:

- An annual approval form for as many of the specified cost items as possible;
- A prior approval request form for other individual approval requests to be handled on a case-by-case basis;
- Instructions for electronically submitting the above referenced forms to AWI staff for review and approval;
- The timeline for AWI staff to review requests; and
- The process for AWI to notify RWBs via e-mail of final decisions.

This guidance material is available online at the following address:

http://www.floridajobs.org/resources/workforce_res.html

Note: The guidance material represents a comprehensive presentation of the information needed to determine when and how to request prior approval from AWI. The guidance packet consists of 8 pages and any analysis of this information should not be done if any portion of the guidance material is missing.

EFFECTIVE DATE:

Issuance of this guidance represents approval by AWI management of the indicated procedures and related administrative forms. These procedures will be effective as of the date of this guidance paper.

If you have questions or concerns regarding the guidance provided here, please contact the AWI Grants Management Office at (850) 245-7481.

AUTHORITY:

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

Footnotes:

¹ OMB Circular A-110 SUBPART A, Section 2(w) (prior approval).

² Cost principles for all non-profit organizations that accept federal funds are provided in OMB Circular A-122. Cost principles for governmental entities (not including universities) that accept federal funds are provided in OMB Circular A-87.

Agency for Workforce Innovation Cost Items Requiring Prior Approval

Items ⁽¹⁾	Ref # from OMB A- 87 ⁽²⁾	Ref # from OMB A- 122 ⁽²⁾	A-87- State, Local & Governments (Attachment B)	A-122- Non-Profit Organizations (Attachment B)	Is Annual Approval Available? ⁽³⁾
Advisory councils	2	2	Req'd	Req'd	NO
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
			Some pension	Unemployment compensation on an actual payment method	YES
			Abnormal or mass severance pay	Personal use of vehicle	YES
			N/A	Certain severance for foreign nationals	NO
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	Req'd	NO
Depreciation and use allowances	11	11	Changes in methods	Changes in methods	NO
Equipment and other capital expenditures	15	15	Req'd	Req'd	YES, with limitations
Fines and penalties	16	16	Req'd if not in award	Req'd if not in award	YES, with limitations
Gains and losses on depreciable assets	18	18	Substantial relocation of Federal Programs	N/A	NO
Housing and personal living expenses	-	20	N/A	Req'd	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	Req'd	YES
Participant support costs	-	33	N/A	Req'd	YES
Pre-award/Preagreement costs	31	36	Req'd	Req'd	NO
Proposal costs	33	-	Req'd if direct charge	-	YES
Rearrangement and alteration costs	35	39	Special for project	Special for project	NO
Selling and marketing	39	45	N/A	Req'd	YES
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 agency.

(2) The OMB Circular reference number has been provided for each cost item referenced here.

(3) "NO" answers indicate that this administrative requirement is not eligible for approval using the Annual Approval Form. To obtain approval for this item, the "Prior Approval Request and Response Form-Individual Cost Items" must be completed and submitted to AWI for approval.

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

Agency for Workforce Innovation 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 ⁽⁴⁾
Change in key person	____.30(d)(3)	____.25(c)(2)	NO ⁽⁴⁾
Absence 3 months/25% of key person	N/A	____.25(c)(3)	NO ⁽⁴⁾
Need for additional Federal funding	____.30(c)(1) (i) + ____.30(c)(2)	____.25(c)(4)	NO ⁽⁴⁾
Transfers between direct & indirect costs	N/A	____.25(c)(5)	NO ⁽⁴⁾
Items in cost principles requiring prior approval	____.30(b)	____.25(c)(6)	NO ⁽⁴⁾
Transfer of training allowances to other categories	____.30(c)(1)(iii)	____.25(c)(7)	NO ⁽⁴⁾
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 preaward 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 & nonconstruction	____.30(c)(3)	____.25(j)	NO ⁽⁴⁾
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 ⁽⁴⁾
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)	YES
Encumbrance and disposition of intangible property	N/A	____.36(e)	NO
Substitution or copies for original records	N/A	____.53(c)	YES
	"Prior approval means documentation evidencing consent prior to incurring the specific cost."	"Prior approval means written approval by an authorized official evidencing prior consent."	

Notes:

(1) The administrative requirements listed here require written prior approval by the awarding agency.

(2) The OMB Circular or other federal regulation reference number has been provided for each administrative requirement referenced here.

(3) "NO" answers indicate that this administrative requirement is not eligible for approval using the Annual Approval Form. To obtain approval for this item, the "Prior Approval Request and Response Form-Individual Cost Items" must be completed and submitted to AWI for approval.

"YES" answers indicate that this administrative requirement is eligible for approval using the Annual Approval Form.

(4) This administrative requirement is not expected to be applicable based on current RWB operations. However, it may apply to direct Federal funding grants received by an RWB. In these cases, the RWB would request prior approval from the federal awarding agency (not AW).

Agency for Workforce Innovation Final Guidance - Prior Approval Annual Approval Request Form

RWB # / RWB Name: _____

Submission Date for Request: _____

Applicable Grant Period: _____

Local RWB Capitalization Threshold: _____

Name / Title of RWB Representative: _____

Review Date for Request: _____ *AWI only*

Approved / Declined: _____ *AWI only*

Prior Approval Items	Annual Approval Requested? (Yes or No)	Estimated Annual Total for Cost Item Activity
Administrative Requirements		
Replacement of equipment		
Substitution or copies for original records		<i>no entry required</i>
Selected Cost Items		
Compensation for personnel services- certain overtime, etc.		
Compensation for personnel services- unemployment compensation on an actual payment method		
Compensation for personnel services- personal use of vehicle		
Equipment and other capital expenditures ⁽¹⁾		
Fines and penalties ⁽²⁾		<i>no entry required</i>
Organization costs		
Participant support costs		<i>no entry required</i>
Proposal costs		
Selling and marketing		
TOTALS		\$ -

Notes:

(1) Capital expenditures with a unit cost more than the RWB's established capitalization threshold, but less than \$5,000 that are to be charged to formula grant funds, may be included in the annual approval request. Capital expenditures to be charged to formula grant funds with a unit cost of \$5,000 or more and all non-formula capital expenditures meeting your capitalization limits must be separately submitted for prior approval. Capital expenditures include general purpose equipment, special purpose equipment, and improvements to land, buildings, or equipment which materially increase their value or useful life as defined in the applicable circulars and relevant TEGs.

(2) Prior approval is available for fire and burglary alarms only. There is no cap on the per call cost.

**Agency for Workforce Innovation
Final Guidance - Prior Approval
Prior Approval Request and Response Form – Individual Cost Items**

DATE:

TO: AWI Grants Management Section

RWB:

RE: **Prior Approval Request and Response Form - Individual Cost Items**

We request approval of the expenditure(s) described as follows:

Brief Narrative Summary: *[Provide summary information here. Include item description and program purpose of purchase.]*

Cost Summary: *[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. If applicable, include the RWB local capitalization threshold.]*

Proposed Funding Source: *[Provide estimated funding source/grant program here.]*

Additional Information: *[Include any additional information, research or other comments as you feel necessary for AWI to complete an analysis of this approval request.]*

Certification Statement:

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

**Agency for Workforce Innovation
Final Guidance – Prior Approval
Prior Approval Request Procedures**

Annual Approval for Selected Cost Items

By June 15th of each year, each RWB will complete the “Annual Approval Request Form.” Cost estimates based on the data available to the RWB at this time should be used to complete the approval request form for the upcoming grant period. Once the cost items are identified the RWB will submit the completed form to AWI for review and approval. A list of the selected cost items and administrative requirements that are currently eligible for annual approval are disclosed on the Annual Approval Form included in AWI Guidance Paper # 05046. Each RWB should follow the procedures described as follows:

1. Complete the Annual Approval Request Form. An appropriate member of the RWB management team should review, approve and authorize the request prior to its submission to AWI.
2. Submit the completed request form. An electronic version of the Approval Request packet should be submitted to the following address:

priorapprovalrequest@awi.state.fl.us

Electronic signature(s) have been deemed acceptable documentation to initiate this process. In place of an electronic signature, an e-mail transmittal will be accepted.

3. AWI will establish a 5 working-day window to respond to submitted Prior Approval Request Forms from the date all information is received by AWI. AWI's response will be (1) YES; (2) NO; or (3) Additional research is required.

Note: An exception to the proposed response time will be made for requests requiring substantial research by the agency or where Federal approval may be required. You will be notified by e-mail if additional processing time is required.

If an initial submission is incomplete, AWI will return it to the RWB with a request list for the missing information. You will be notified by e-mail if additional information is required to process your approval request.

4. Notification by e-mail or letter will be provided to you once a final decision (APPROVE/DECLINE) is reached.

Prior Approval Requests (PARs)-All Other Specified Cost Items

For the remaining OMB circular items that require prior approval all entities must complete and submit the "Prior Approval Request and Response Form for Individual Cost Items" prior to incurring any of these cost items. Each RWB should follow the procedures described as follows:

1. Complete the Prior Approval Request and Response Form for Individual Cost Items. An appropriate member of the RWB management team should review, approve and authorize the request prior to its submission to AWI.
2. Submit the completed request form. An electronic version of the Approval Request packet should be submitted to the following address:

priorapprovalrequest@awi.state.fl.us

Electronic signature(s) have been deemed acceptable documentation to initiate this process. In place of an electronic signature, an e-mail transmittal will be accepted.

3. AWI will establish a 5 working-day window to respond to submitted Prior Approval Request Forms from the date all information is received by AWI. AWI's response will be (1) YES; (2) NO; or (3) Additional research is required.

Note: An exception to the proposed response time will be made for requests requiring substantial research by the agency or where Federal approval may be required. You will be notified by e-mail if additional processing time is required.

If an initial submission is incomplete, AWI will return it to the RWB with a request list for the missing information. You will be notified by e-mail if additional information is required to process your approval request.

4. Notification by e-mail or letter will be provided to you once a final decision (APPROVE/DECLINE) is reached.