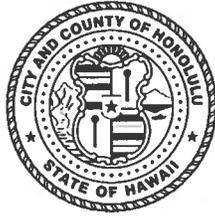


OAHU WORKFORCE DEVELOPMENT BOARD
CITY AND COUNTY OF HONOLULU

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July 1, 2025

**OAHU WORKFORCE DEVELOPMENT BOARD
WORKFORCE INNOVATION AND OPPORTUNITY ACT
POLICY #21-25**

SUBJECT: ALLOWABLE COST

PURPOSE:

To establish policy guidelines with respect to allowable costs for programs funded in whole or in part under Title I of the Workforce Innovation and Opportunity Act (WIOA).

BACKGROUND:

All entities will comply with the requirements listed below:

- 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule

POLICY:

It is the policy of the Oahu Workforce Development Board (OWDB) that sub-recipients receiving WIOA Title I funds, awarded in whole or in part by OWDB, must establish a sound financial management system of controls that complies with the applicable uniform cost principles and the appropriate uniform administrative requirements. Therefore, sub-recipients must adhere to the Federal cost principles relevant to their organization.

Applicable cost principles, established regulations, and the terms of the sub-award agreement must be followed in determining the reasonableness, allowability, and allocability of costs. Only allowable costs may be charged to a WIOA grant. No WIOA grant may pay for more than its fair share of the expenses (allocability), which means that the sub-recipient must determine if the costs incurred by the organization are allowable based on established guidelines. All recipients and sub-recipients must maintain records that identify the-awarded funds These records must be maintained in accordance with Generally Accepted Accounting Principles, more commonly known as GAAP, which are applicable to all federally funded programs.

- WIOA subrecipients and subgrantees assume responsibility for administering the WIOA funds consistent with agreements, program objectives, regulations and policies;
- WIOA subrecipients and subgrantees will apply sound management practices for the efficient and effective administration of the WIOA funds awarded to their agency; and
- WIOA subrecipients and subgrantees have the responsibility for employing staff and facilities necessary to assure proper and efficient administration of the program.

Allowable costs must meet the followings general guidelines:

- The cost must be necessary and reasonable for performance of the award;
- The cost must be allocable to the award based on the relative benefits received;
- The cost must not be a general expense required to carry out the overall responsibilities of State and local governments, non-profit, or private for-profit organizations;
- The cost must be authorized under Federal, State, local laws or regulations;
- The cost must conform to any limitations or exclusions;
- The cost must be based on consistent and uniformly applied policies, regulations, and procedures;
- The cost must be adequately documented;
- The cost must be treated consistently through the application of generally accepted accounting principles and practices appropriate to the WIOA program;
- The cost must not be allocable to or included as a cost or used to meet cost sharing or matching requirements of any other federally funded program; and
- The cost must not be shifted to or from another federal program to overcome fund deficiencies or avoid restrictions imposed by law, regulations or agreements.

Subrecipients and subgrantees must follow the Federal Cost Principles at 2 CFR Part 200, Subpart E and Appendices III through IX, including any USDOL exceptions identified at 2 CFR Part 2900. Local area subrecipients must adhere to the limitations applicable to the WIOA formula grants as provided in the law, regulations or agreement. Certain limitations are listed below:

- a. Local Area Administrations – WIOA Section 128(b)(4)(A).
- b. Adult and Dislocated Workers
 - Transfers between adult and dislocated worker program – WIOA Section 133(b)(4);
 - On-the-job training – 20 CFR Part 680.700;
 - Pay-for-performance contracts – WIOA Section 134 (d)(1)(A)(iii);
 - Incumbent worker training – WIOA Section 134(d)(4)(A)(i); and
 - Transitional jobs for adults and dislocated workers – WIOA Section 134(d)(5).
- c. Youth
 - Out-of-school youth – WIOA Section 129(a)(4);
 - Work experience – WIOA Section 129(c)(1)(D); and
 - Pay-for-performance contracts – WIOA Section 129(c)(4).

ACTION:

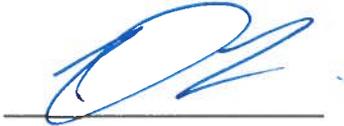
This policy is effective immediately and remains in effect until such time that amendments to this policy are made or a new policy is issued.

REFERENCES:

Public Law (P.L.) 113-128 Secs.184 and 185; 20 CFR §683.235; 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR Part 2900 DOL Exceptions; State Compliance Policy (SCP) 3.1, 3.6 and 3.7

INQUIRIES:

For inquiries regarding this policy, please contact Harrison Kuranishi, Executive Director, Oahu Workforce Development Board at 808-768-7790 or h.kuranishi@honolulu.gov.



Harrison Kuranishi
Executive Director