SAN JOAQUIN COUNTY WORKNET
EMPLOYMENT AND ECONOMIC DEVELOPMENT DEPARTMENT
POLICIES AND PROCEDURES DIRECTIVE

DIRECTIVE NO.	EFFECTIVE DATE	APPLICABILITY	PAGE
24-03	August 15, 2024	Departmental	1 of 6
SUBJECT:	**ALLOWABLE COSTS AND COST CLASSIFICATION**		

I. PURPOSE

This policy provides guidance on general cost principles and allowable costs under the Workforce Innovation and Opportunity Act (WIOA), including the National Farmworker Jobs Program (NFJP), and the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (Uniform Guidance). The San Joaquin County Employment and Economic Development Department (EEDD) adopts the following policy to ensure that costs charged to the grant are allowable and properly classified.

II. GENERAL INFORMATION

On December 26, 2013 the Office of Management and Budget (OMB) issued Uniform Guidance, which establishes uniform administrative requirements, cost principles, and audit requirements for federal awards. The Uniform Guidance consolidated multiple, previously separate, sets of OMB guidance into one combined set of rules. The following year, the DOL adopted the OMB Uniform Guidance and issued DOL Exceptions.

Local Workforce Development Areas and providers that receive funds under WIOA Title I are required to comply with Uniform Guidance [WIOA Section 184(a)(3)]. This includes general principles and guidance on selected items of cost. However, if more restrictive city, state, or federal guidelines exist, they must take precedence. For NFJP, costs must also comply with applicable requirements under WIOA Section 167, 20 CFR Part 685, 2 CFR Part 200, 2 CFR Part 2900, and the applicable NFJP Grant Agreement.

Recipients and sub-recipients assume responsibility to administer grant awards in an efficient and effective manner consistent with the terms and conditions of the award and to apply sound management practices. Local grant recipients and contractors must ensure that costs charged to the grant awards are allowable and in compliance with grant terms, laws, and regulations.

Costs should:

- Be necessary and reasonable for the performance of the award.
- Be allocable to the award.
- Conform to any limitations or exclusions set forth in the award.
- Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-federal entity.
- Be accorded consistent treatment.
- Be determined in accordance with generally accepted accounting principles.
- Not be used to meet cost sharing or matching requirements of any other federally financed program (without prior approval from the state).
- Be adequately documented.

This PPD supersedes PPD D-36 Allowable Costs and Cost Classification (Rev. 1), dated July 1, 2020.

References

- WIOA Sections 167 and 184(a)(3)
- Title 2, Code of Federal Regulations (CFR), Part 200, Subpart E, Uniform Guidance
- Title 2, CFR, Part 2900, DOL Exceptions
- 2 CFR Part 200.402-406, Basic Considerations
- 20 CFR Part 685, National Farmworker Jobs Program
- 20 CFR § 685.140, What Workforce Innovation and Opportunity Act (WIOA) regulations apply to the programs authorized under WIOA?
- WSD 16-16, Allowable Costs and Prior Written Approval”
- WSD 17-08, Procurement of Equipment and Related Services

III. POLICY

It is the policy of the Employment and Economic Development Department to follow this policy as outlined in WSD16-16 and applicable federal, state, and NFJP grant requirements. All costs must meet the following criteria from 2 CFR Part 200.402-406, Basic Considerations, in order to be treated as allowable direct or indirect costs under a Federal award:

A. The cost must be "reasonable" for the performance of the award, considering the following factors:

1. Whether the cost is of a type that is generally considered as being necessary for the operation of the Organization or the performance of the award;
2. Restraints imposed by such factors as generally accepted sound business practices, arm's length bargaining, Federal and state laws and regulations, and the terms and conditions of the award;
3. Whether the individuals concerned acted with prudence in the circumstances;
4. Consistency with established policies and procedures of the Organization, deviations from which could unjustifiably increase the costs of the award.

B. The cost must be "allocable" to an award by meeting one of the following criteria:

1. The cost is incurred specifically for a Federal award;
2. The cost benefits both the Federal award and other work, and can be distributed in reasonable proportion to the benefits received; or
3. The cost is necessary to the overall operation of the Organization, except where a direct relationship to any program or group of programs cannot be demonstrated.

C. The cost must conform to any limitations or exclusions of 2 CFR Part 200 Subpart E Cost Principles, or the Federal award itself.

D. Treatment of costs must be consistent with policies and procedures that apply to both Federally financed activities and other activities of the Organization.

E. Costs must be consistently treated over time. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

F. The cost must be determined in accordance with generally accepted accounting principles (GAAP).

G. Costs may not be included as a cost of any other Federally financed program in the current or prior periods.

H. The cost must be adequately documented.

I. The cost must be incurred during the approved budget period.

IV. PROCEDURE

San Joaquin County Workforce Development Board receives funds under WIOA Title I (WIOA Section 184[a][3]) and is required to comply with Uniform Guidance. This includes general principles and guidance on selected items of cost.

A. Request for Goods and Services (RGS)

1. Completing the RGS – Assigned staff will complete a Fiscal RGS form for either operations or supportive services (Attachment A or B). It is the responsibility of the prospective manager requesting the goods or services to review and ensure that the required Fiscal RGS form is complete and accurate. All sections on the upper portion of the form must be complete, otherwise, the approval and processing of your request will be delayed.

2. To expedite the processing of an RGS, the necessary documentation must be attached:

    a. Any quote information obtained
    b. Sole source justification, if applicable, and/or
    c. A statement as to why a specific vendor should be selected, as appropriate.
    d. Supportive Services RGS must also include the following documentation:
        - Client's Individualized Employment Plan (IEP)
        - Client's Budget Sheet

3. Purchases with a cost of less than $10,000 may be made without soliciting competitive quotes if the price is reasonable, in accordance with WSD17-08. For purchases between $10,000 and $250,000, a minimum of two quotes are required. Exceptions may be necessary for sole source procurements.

4. A five-point memorandum containing proper justification must be submitted and approved by the Executive Director for the procurement of equipment and professional services not approved through the County Budget process.

5. New County vendors must complete a W-9 form. W-9 forms are available in the "Fiscal Forms" area. The requestor is responsible for ensuring that the vendor completes said form. Keep in mind that establishing the vendor as an approved County vendor could take anywhere from two days to two weeks.

6. An RGS must be submitted timely. Depending on the method of procurement and the availability of Fiscal staff, the procurement process can take anywhere from one day to several months.

7. If your request is urgent and requires immediate attention, the respective manager should take the RGS directly to the Fiscal Manager.

B. Approval for Processing & Cost Classification

1. The completed RGS will be forwarded to the designated Fiscal staff for processing.

2. Allow up to one week for Fiscal review and approval.
3. It is the Fiscal staff's responsibility to review the RGS and support documentation for completeness and to ensure that:

   a. The cost is budgeted;
   b. The cost is reasonable and necessary; and
   c. The program activity to be charged is correct based on the purpose and justification provided.

4. If the RGS is missing information or lacking support documentation, the Fiscal staff will contact the requestor by e-mail within 24 hours of the review noting the discrepancies. The requestor will be asked to retrieve the RGS and return it with the necessary information.

5. If all the information is complete, the Fiscal staff will then classify the cost and determine the method and pool to allocate by.

6. It will be the responsibility of the Fiscal staff to bring any unusual or "new" types of requests to the attention of the Fiscal Manager.

7. The Fiscal staff must forward the RGS to the Fiscal Manager who will work with the requestor on obtaining State approval, if necessary.

8. Items or work that constitute building/capital improvements are generally unallowable. A request for State approval must be brought to the attention of the Fiscal Manager.

9. The Request for Approval to Charge WIOA Funds form must have the Executive Director's approval and signature.

V. QUESTIONS REGARDING THIS DIRECTIVE

May be referred to the Executive Director of EEDD via Managers or designee.

This WIOA Title I-financially assisted program or activity is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. This program is substantially funded by federal funding. For more information go to: www.sjcworknet.org/WIOAresources.asp

VI. UPDATE RESPONSIBILITY

The Executive Director of EEDD and/or designee will be responsible for updating this directive, as appropriate.

VII. APPROVED

Patricia Virgen

PATRICIA VIRGEN
EXECUTIVE DIRECTOR

PV:df

Attachment A: Request for Goods and Services – For Operations
Attachment B: Request for Goods and Services – Supportive Services

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San Joaquin County worknet

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REQUEST FOR GOODS AND SERVICES – FOR OPERATIONS

SUGGESTED VENDOR

NAME: _____

CONTACT NAME: _____

PHONE: _____

EMAIL: _____

ADDRESS: _____

NEED BY: _____

REQUEST DATE: _____

REQUEST BY: _____ EXT# _____

APPROVE BY: _____

DIRECTOR/ DEPUTY DIRECTOR: _____

DELIVERY ADDRESS: _____

IS THIS PURCHASE IN THE BUDGET? ☐ YES ☐ NO

QTY	UNIT	DESCRIPTION (LIST STOCK #, DESCRIPTION, SIZE, COLOR, PAGE #, ATTACH SAMPLE)	ITEM COST	TOTAL COST	FMD USE ONLY RGS NO.
			TOTAL		
			TAX & FEES		
			TOTAL		

QUOTES OBTAINED: ☐ $1- $9,999.99 (1 QUOTE) ☐ $10,000 - $49,000 (2 OR MORE QUOTES)

EXEMPT FROM QUOTES: LICENSE RENEWALS, APPROVED TRAVEL COSTS, SUBSCRIPTIONS, MEMBERSHIPS, MARKETING EVENTS, AND PROCUREMENTS FROM OTHER COUNTY DEPARTMENTS.

PROGRAM/ ACTIVITY/ LOCATION: _____

PURPOSE/ JUSTIFICATION: _____

TERM (IF APPLICABLE): FROM: _____ TO: _____

BELOW THIS LINE – FOR USE BY **FMD PERSONNEL** OR **FMD'S DESIGNEE ONLY**

VENDOR NUMBER: FMS# _____ PEOPLESOFT# _____

COUNTY ACCOUNT #	FMS ACCOUNT #							AMOUNT	TAG?
	OBJECT	CC	GRANT	CC	LOC	MTHD	POOL		
_____	_____	_____	_____	_____	_____	_____	_____	$_____	☐ Y ☐ N
_____	_____	_____	_____	_____	_____	_____	_____	$_____	☐ Y ☐ N
_____	_____	_____	_____	_____	_____	_____	_____	$_____	☐ Y ☐ N
_____	_____	_____	_____	_____	_____	_____	_____	$_____	☐ Y ☐ N

☐ **CAL CARD** ☐ **PETTY CASH** ☐ **A/P VOUCHER** ☐ **SST** ☐ **P/O**

AVAILABLE _____ ALLOWABLE/PROPER JUSTIFICATION _____ DATE _____

RGS INSTRUCTIONS

I. **SUGGESTED VENDOR:** Complete this portion entirely. If this is the first time the vendor will be used, a W-9 may be needed.

II. **NEED BY DATE:** Enter the date the items are needed (not ASAP).

III. **REQUEST DATE:** Date the form is completed.

IV. **REQUESTED BY:** The individual who is completing this form MUST PRINT their name (and phone #). This helps fiscal to contact the right person if any questions arise.

V. **APPROVE BY:** The Division Manager responsible for the Cost Center **MUST** sign on this line. Computer related items need to be approved by Executive Management.

VI. **DIRECTOR/ DEPUTY DIRECTOR:** For orders of equipment, fixed assets, or non-routine purchases, the request **MUST** also be **SIGNED** by the Executive Director.

VII. **DELIVERY ADDRESS:** Specify an address, if the goods or services are to be delivered to an address other than 6221 West Lane Suite 105, Stockton CA 95210.

VIII. **IS THIS PURCHASE IN THE BUDGET? :** If this purchase was planned for and included in your operating budget, answer YES, otherwise NO.

IX. **DESCRIPTION:** Please provide accurate, detailed information. This will expedite the ordering process.
   a. Quantity - number ordered
   b. Unit - i.e., each, pkg., box, dozen
   c. Full Description of item ordered, including stock number; catalog name, item number/letter and page number; color and size if applicable. If more than one item is ordered, please include cost each.
   d. Line Item Cost - total estimated cost of all units on this line (excluding tax or shipping).

X. **PROGRAM/ACTIVITY/LOCATION:** "Program" is the funding source and the cost center. Sample funding sources: WIOA, CALWORKS, EDA, RLF, STEP, E-WORKS. Sample cost centers: Facilities, Executive Management, ISD, Youth CMD, Assessment, FMD. "Activity" is the allowable cost category activity. Examples: Case Management, Job Development, and Outreach to "Customers." Location is the WorkNet Center where the goods/services will be used. Examples: STOCKTON, LODI, MANTECA, DELTA, TRACY. These Program/Activity/Location explanations allow FMD staff to classify costs and verify that the justification supports the benefits received.

XI. **PURPOSE/JUSTIFICATION:** Why is this item needed? Who will use it? How will it be used? Where will it be used? This information provides supporting documentation that justifies the expense.

XII. **TERM:** To be used when there is a term associated with a cost. For example, if it is a membership, what are the dates of membership? If it is a subscription, what are the dates of the subscription? If it is a license renewal, what is the term of the license? Etc.

***** RETURN ALL REQUEST TO THE FISCAL "IN BASKET" *****
***** PLEASE DO NOT SUBMIT INSTRUCTIONS PAGE WITH RGS *****

Attachment B

CLEAR

San Joaquin County worknet

A proud partner of the America's JobCenter network of California℠

REQUEST FOR GOODS AND SERVICES - SUPPORTIVE SERVICES

Request Date: _____

Need By Date: _____

Requested By: _____

☐ WIOA Adult ☐ WIOA D/W ☐ OTHER

☐ WIOA Youth ☐ Out - School ☐ In - School

Approved By: _____

☐ CalCard ☐ Voucher ☐ Petty Cash

QTY	UNIT	DESCRIPTION (Give Size, Color, Name, Stock No., Sample)	ITEM COST	TOTAL COST	FMD USE ONLY RGS NO.
				$ 0.00	
				$ 0.00	
				$ 0.00	
				$ 0.00	
				$ 0.00	
				$ 0.00	
				$ 0.00	
				$ 0.00	
			Total	$ 0.00	
			Tax &fees		
			Total		

Is participant enrolled in training? ☐ Yes ☐ No*

CalJOBS Activity _____ Start Date _____ Projected/Actual End Date _____

Vendor Name: _____

Address: _____ Phone: _____

City: _____ Zip Code: _____

Participant's Name: _____ Case No: _____ Grant: _____

Justification: _____

_____

_____

Cost Estimate: $ 0

(Round To The Dollar)

PLEASE ATTACH THE FOLLOWING: ☐ Quote(s) ☐ Budget ☐ CalJOBS Printout

FMD USE ONLY

County Account No.: 6221024800 Method: 3 Pool: 999

4820 - 46 - _____ - _____ - _____ 4851 - 46 - _____ - _____ - _____

4840 - 46 - _____ - _____ - _____ ____ - 46 - _____ - _____ - _____

Available: _____ Allowable/Proper Justification: _____ Date: _____

*Approval of supportive services outside of CalJOBS activity training dates will not be included as a part of the WIOA 30% training requirement.

SMALL PURCHASE
QUOTES & DOCUMENTATION

Procedural Requirements: **Price** quotations shall be secured for each small purchase transaction and the identification of sources and solicitation of quotes must be supported by documentation based on the following requirements:

DOLLAR RANGE OF PURCHASE	CONTACTS AND METHOD
$0 through $9,999.99	**One or more documented quotes** Source of quote (check one or more) ☐ Prior receipts (within one year) ☐ Written quote from vendor ☐ Product or Service Catalog ☐ Current Price List ☐ Telephone contact with vendor to obtain quote: Vendor Name: _____ Contact Person: _____ $ Quote: _____ Staff Signature: _____ Date: _____ Vendor Name: _____ Contact Person: _____ $ Quote: _____ Staff Signature: _____ Date: _____
$10,000 through $49,999.99	**Two (2) or more written quotes**** Request for Quote (RFQ) is required for small purchases in this dollar range ☐ RFQ was provided in writing ☐ RFQ specifies the quantity, timeframes and all the requirements of the product being sought ☐ Sole Source (attach sole source justification) **REQUEST FOR QUOTE (RFQ) MUST BE COMPLETED AND ATTACHED**
$50,000 or more	For transactions of $50,000 or more, the sealed bid or competitive proposal must be used. If only one proposal is obtained and that proposal is deemed to be responsible, then the noncompetitive or sole source process may be used.

*** Unless sole source justification.*