

Nevada Department of Employment, Training and Rehabilitation
Employment Security Division
Workforce Programs

Workforce Innovation and Opportunity Act (WIOA)
State Compliance Policy (SCP)

Policy Number: 3.13

Originating Office: Department of Employment, Training and Rehabilitation (DETR);
Workforce Programs

Subject: Pre-Award Costs

Issued: NEW; replacing WIA State Compliance Policy 3.13: Approved Governor's Workforce Development Board (GWDB) Executive Committee January 15, 2019; Ratified Governor's Workforce Development Board February 02, 2019.

Purpose: To provide Local Workforce Development Boards (LWDBs), Chief Elected Officials (CEOs) and American Job Centers of Nevada (One-Stop Career Center Operators) with the Workforce Innovation and Opportunity Act (WIOA) requirements for Pre-Award Costs.

State Imposed Requirements: This directive may contain some state-imposed requirements. These requirements are printed in ***bold, italicized*** type.

Authorities/References: Workforce Innovation and Opportunity Act (P.L. 113-128), 2 CFR 200.458; 20 CFR §683.100-295; Generally Accepted Accounting Principles (GAAP); Nevada SCPs

ACTION REQUIRED: Upon issuance bring this guidance to the attention of all WIOA service providers, Local Workforce Development Board (LWDB) members and any other concerned parties. Any LWDB's policies, procedures, and or contracts affected by this guidance are required to be updated accordingly.

Background: The Code of Federal Regulations (CFR) Title 2 Grants and Agreements allows pre-award costs. Pre-award costs are those incurred prior to the date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work.

Policy and Procedure:

I. Allowability

A. (2 CFR 200.458): *Pre-award costs are allowable up to 90 days before the beginning date of the new budget period of a new or continuation of an award.*

Such costs are allowable only to the extent that they would have been allowed if incurred after the date of the Federal award and only with the written approval of the awarding agency.

II. Prior Written Approval Requirements

A. Local Workforce Development Boards (LWDB):

1. Prior to any pre-award cost being incurred by the LWDB, LWDB is to submit a written request to Workforce Programs.
2. The request must include a justification for incurring costs pre-award, an estimation of the pre-award costs and why such costs are necessary to be received before the proposed funding date and why such costs are necessary for efficient and timely performance of the scope of work.
3. Workforce Programs will provide a response to the LWDB within ten (10) business days after receipt of the request.

B. LWDB Sub-recipients:

1. Prior to any pre-award costs being incurred by LWDB sub-recipients, the sub-recipients are to submit a written request to the LWDB.
2. The request must include a justification for incurring costs pre-award, an estimation of the pre-award costs and why such costs are necessary to be received before the proposed funding date and why such costs are necessary for efficient and timely performance of the scope of work.
3. LWDB is to provide a response to their sub-recipient within 10 (ten) business days after receipt of the request.
4. Sub-recipient request and LWDB response are to be maintained at the LWDB administrative office, available for inspection and review and retained for a period of not less than *five (5) years* after grantees or sub-grantees make final payments or for a period of not less than *five (5) years* from the date of final resolution of an audit, litigation or other action, whichever date is later. (WIOA State Compliance Policy 5.4)

III. Disallowed Costs

- A. Any pre-award cost incurred by either the LWDB or their sub-recipient without prior written approval will be disallowed by the State.
- B. Any pre-award cost determined to be a disallowed cost must be returned to the state using non-federal funds. The source of funding used to pay back the disallowed costs needs to be specified when the funds are returned.