

Disallowed Cost Policy

Policy:

There are four kinds of costs:

1. Allowable
2. Disallowable
3. Allowable with Conditions
4. Stand-In

Charges are determined by the Finance Director, State and Local Auditors, and the grant explanations.

Costs that are considered Disallowable costs are charges that are not authorized to be paid by the Federal or State Government for a specific program or grant. If a charge is deemed Disallowable the Contractor will make note with the employee that made the purchase as well as the supervisor that approved the charge. Non-WIOA funds will be used for purchases that are not able to be returned with the approval of the Board's CEO.

If an employee is in doubt as to whether a purchase is allowable, check with the Finance Director. The Finance Director will review the OMB Circular, review information from the Department of Labor, Licensing and Regulations, and check with the VCCS.

Typical Allowable Costs:

- Advertising, Outreach, and Public Relations
- Bonding Costs
- Collection of Improper Payments
- Compensation – fringe benefits
- Conferences – meeting, retreat, seminar, symposium, workshop, or event whose primary purpose is the dissemination of technical information and is necessary and reasonable for successful performance under the Federal award. May include rental of facilities, speakers' fees, costs of meals, refreshments, and transportation.
- Consultant Fees
- Employee Health and Welfare Costs
- Labor Market Surveys
- Maintenance and Repair Costs
- Materials and Supplies Costs – including costs of computing devices
- Memberships, Subscriptions, and Professional Activity Costs – for membership in business, technical, and professional organizations
- Mobile Aps
- Participant Support Costs
- Professional Services Costs
- Recruiting Costs
- Salaries and Wages
- Security Costs

- Training and Education Costs
- Travel – meals, mileage
- Website Development

Disallowable Costs:

- Alcoholic Beverages
- Bad Debt
- Entertainment Costs
- First-Class Airline Tickets
- Foreign Travel
- Contributions and Donations
- Fines, Penalties, Damages
- Fundraising
- Goods or Services for Personal Use
- Lobbying
- Losses on Other Awards or Contracts
- Memberships, Subscriptions, and Professional Activity Costs – for membership in any civic or community organization
- Political Activities
- Selling and Marketing

Allowable with Conditions:

- Advisory Councils
- Audit Services
- Defense and Prosecution of Criminal and Civil Proceedings, Claims, Appeals, and Patent Infringement
- Depreciation
- Gains and Losses on Disposition of Depreciable Assets
- Insurance and Indemnification
- Interest
- Rental Costs of Real Property and Equipment
- Taxes
- Termination Costs

Stand-In Costs:

Stand-In costs are non-Federal costs that may be used to substitute for disallowed costs in audit and monitoring resolution. Stand-In costs result when an Operators and Service Providers expend non-federal funds on WIOA programs.

In the event a grant program monitoring reveals a disallowable cost in relation to a specific grant activity, West Piedmont Workforce Development Board will follow the requirements within relative agreements for the grant. An example includes having an ineligible client on a program funded by the Workforce Innovation and Opportunity Act. Contractor will review and follow the guidelines for disallowed cost in the Chief Elected Official Consortium Agreement.

Contractor employees who knowingly break this policy may be disciplined up to and including termination.

Approval Signature:

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