
Cost Allowability and Classification
Effective Date: January 1, 2018

Purpose:

Northern Middle TN Workforce Board, Inc. (NMTWB) adopts the following policies to ensure that costs charged to grant awards are allowable and properly classified.

Background:

Recipients and subrecipients 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 grant awards are allowable and in compliance with grant terms, laws and regulations in addition to provisions issued by the Tennessee Department of Labor and Workforce Development (TDLWD) and U.S. Department of Labor (USDOL).

Cost should be:

- Allowable, necessary, allocable and reasonable (prudent person)
- Adequately documented
- Not used for cost sharing or matching funds
- In accordance with GAAP
- In conformity with federal law, guidelines and grant terms
- Treated consistently
- Consistent with policies and procedures

Resources:

TDLWD Policy 17-1 Allowable and Unallowable Costs

2 CFR 200.56; 2 CFR Parts 200, 215, 225,230; 2 CFR 200.412; 2 CFR

200.413(a); 2 CFR 2900.20 CFR 683.215; 20 CFR 683.215(a); 20 CFR 683.215(b); 20 CFR 683.215(c); 48 FAR 31; WIOA Section 128(b)(4)(A); WIOA Section 184; WIOA Section 185; One-Stop Financial Management Technical Assistance Guide (TAG) Parts I and II.

TDLWD Guidance Correcting Disallowed Costs

2 CFR 200.31



Policy:

The NMTWB will follow policy and guidance published by the Tennessee Department of Labor and Workforce Development as amended related to cost allowability and classification including, but not limited to, TDLWD Policy 17-1 Allowable and Unallowable Costs, as well as TDLWD Guidance on Cost Classification. Additional procedures will be implemented as needed to ensure compliance with other applicable laws, regulations, grants and contracts provisions related to cost allowability. Correction of any determined disallowed costs will follow steps outlined in TDLWD Guidance for Correcting Disallowed Costs.

CONTACT:

For any questions related to this policy please contact Ginger Fussell, Fiscal Director at gfussell@workforceessentials.com.

Effective Date: January 1, 2018

Updated: July 1, 2019; June 1, 2020

Duration: Indefinite

A handwritten signature in blue ink, reading "Marla Rye", is written over a horizontal line.

Marla Rye, Executive Director
Northern Middle TN LWDB