# Slide 1

# Federal Awarding Agency Prior Approval Requirements

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# Applicability

## Federal regulation 2 CFR 200 requires DOR to obtain federal

## agency prior approval for certain cost categories and is intended:

### To prevent unallowable expenditures before they occur.

### Avoid subsequent disallowances/loss of federal funds.

## Applies to administrative, program and consumer purchases.

## Prior approval is required regardless of payment method (e.g. revolving fund, check, Cal-Card, warrant

##

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# Applicability

## Prior Approval Requirement is Applicable to the following federal grants:

### Vocational Rehabilitation including the Business Enterprise Program

### Older Blind Program

### Independent Living

### Supported Employment

### Promise

### California Innovations

### Social Security Reimbursement Funds

## Slide 4

# Federal Awarding Agency

## The Department is currently working collaboratively with Rehabilitation Services Administration

### RSA prior approval may take 4-8 weeks from submission of

### the request

Discussion on implementation of this requirement with the Administration for Community Living is pending

###

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What is Your Role?

## DOR is required to obtain RSA approval prior to issuing an authorization or purchase order for the following types of purchases:

### Equipment and Other Capital Expenditures

### Memberships, Subscriptions, Professional Activity Costs

### Organization Costs

### Participant Support Costs

### Rearrangement and Reconversion Costs

### Entertainment Costs

### Selling and Marketing Costs

## Slide 6

# Equipment and Other Capital Expenditure

## Prior approval is required for equipment and capital expenditures with a per unit cost of $5,000 or more and an expected useful life of at least 1 year

## Includes:

Placement Equipment

Integrated Systems

Information Systems

Software

## Modular Systems

Telephone Network and Equipment

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# Equipment and Other Capital Expenditures

## Continued:

#### Office Equipment and Furnishings

#### Improvements to land, buildings or equipment which materially increase their value or useful life

####

#### Exceptions where prior approval is not required

### Ordinary repairs and maintenance

### Software licenses and annual renewals for regular operations

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# Memberships, Subscriptions, Professional Activity Costs

## Prior approval is required regardless of cost for memberships in any civic or community organizations (Rotary Club, Lion’s Club).

## Exceptions where prior approval is not required:

### Memberships, subscriptions, periodicals to business, professional and technical organizations (e.g. CSAVR, LinkedIn, Chamber of Commerce).

### Any memberships, subscriptions, or professional activity costs as part of or in support of a consumer’s Individualized Plan for Employment (IPE).

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Organization Costs

## Prior approval is required regardless of cost for incorporation fees, organizers or management consultants, attorneys, accountants, or investment counselor in connection with establishment or reorganization of an organization.

## Exception where prior approval is not required:

### Costs associated with business promoters, advertisers, and small business management consultants in support of a VR consumer’s self-employment plan and IPE.

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# Participant Support Costs

## Prior approval is required, regardless of cost, in connection with conferences or training projects for the following support costs:

### Stipends or subsistence allowances

### Travel allowances

### Registration fees paid to or on behalf of participants or trainees

## Example: Prior approval is required for travel and per diem expenses for an advisory board member

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# Participant Support Costs

## Prior approval requirement does not apply to DOR employees

## Exception where prior approval is not required:

### Travel, transportation, and subsistence allowances for consumers and service providers in support of a consumer’s IPE.

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Rearrangement and Reconversion Costs

## Prior approval is required, regardless of cost, for arrangement and alteration of facilities charged as a Direct Cost to the federal award including:

### Modular

### Furniture

### Cubicle Walls

## Example: All facility costs at the VR District and field offices are charged as a direct cost

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# Rearrangement and Conversion Costs

## Exceptions where prior approval is not required:

## To restore a facility to approximately the same condition prior to commencement of the federal award

### For rearrangement and reconversion costs charged as part of indirect costs to the federal award (such as Accounting Services)

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Entertainment Costs

## Prior approval is required, regardless of cost, for entertainment, including amusement, diversion, and social activities that have a programmatic purpose.

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Generally, DOR does not pay for entertainment costs.

## Exception where prior approval is not required:

## Costs to support a consumer’s adjustments to independent living in support of a consumer’s IPE or plan for independence.

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# Selling and Marketing Costs

## Prior approval is required, regardless of cost, for purchase of selling or marketing products or services such as costs of displays, demonstrations, exhibits, and promotional items.

##

## Exception where prior approval is not required:

## Program outreach expenses or costs to communicate with the public and press pertaining to specific activities, accomplishments, or matters of public concern.

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What is the Process for Approval?

## Contracts and Procurement Bulletin 2017-02 dated December 13, 2017.

## A Federal Prior Approval Form (DR 800) is required for each purchase request.

## Reference the Form DR800 and DR 800A Instructions

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# Questions ??

Email: priorapproval@dor.ca.gov