

Prior Approval

OF INTEREST TO

The Division of Early Learning (DEL, the Division), Early Learning Coalitions (ELCs, Coalitions), and other direct subrecipients of DEL implementing federal and state early learning programs.

AUTHORITY

[2 CFR §200](#) – Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

[45 CFR §75](#) – U.S. Department of Health and Human Services (USDHHS), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards.

Reference to any laws, rules and regulations in this guidance document includes revisions to those laws and regulations made after the effective date of this guidance document.

BACKGROUND

OMB Uniform Grant Guidance (UGG) and USDHHS regulations establish cost principles and standards for determining allowable activities and costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements. Some administrative requirements and cost items are allowable only with prior approval from the awarding agency. Coalitions and other direct subrecipients must obtain prior approval from DEL for applicable administrative requirements and cost items within [2 CFR §200](#) and [45 CFR §75](#).

Per [45 CFR 75.407](#), under any given Federal award, the reasonableness and allocability of certain items of costs may be difficult to be determined. In order to avoid subsequent disallowance or dispute based on unreasonableness or non-allocability, coalitions and other direct subrecipients may seek the prior written approval from DEL in advance of the incurrence of special or unusual costs. Prior written approval should include the timeframe or scope of the agreement. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that element, unless prior approval is specifically required for allowability as described under certain circumstances within of [2 CFR §200.407](#) and parts of [45 CFR §75.407](#).

Any acquisition that will be capitalized for financial statement purposes requires prior approval for grant reporting purposes. For the equipment and other capital expenditures cost item, prior approval must be requested for all items that meet the lesser of the requestor's capitalization threshold or \$5,000. Acquisitions or creation of software applications that meet the capitalization requirements of generally accepted accounting principles also require prior approval.

DEFINITIONS

Prior Written Approval

Written approval by an "authorized official" evidencing prior consent before a recipient undertakes certain activities or incurs specific costs ([45 CFR §75.2](#)).

Authorized Official

For purposes of this guidance, the DEL Financial Administration and Budget Services Manager and/or his/her delegate is the authorized official.

INSTRUCTIONS

A comprehensive list of the administrative requirements and cost items requiring prior approval is provided in Attachment II - Prior Approval Reference Guide. DEL allows annual prior approval for some items, while others require individual prior approval, as identified in Attachment II.

To request prior approval from DEL: See Attachment I- How to Submit a Prior Approval Request.

Retain clear supporting documentation for all costs associated with prior approval requests in order to establish the expenditure:

- Meets the cost principles (is necessary and reasonable for proper and efficient performance and administration of the grant);
- Is authorized or not prohibited under federal, state, or local laws or regulations;
- Conforms to any limitations or exclusions set forth in the UGG, federal laws, terms and conditions of the federal award, or other governing regulations as to types or amounts of cost items; and
- Is consistent with applicable policies, regulations, and procedures.

DEL DISPOSITION

DEL will respond to submitted prior approval requests via the Division of Early Learning Financial Administration and Budget Portal within five business days from the date the request is submitted. DEL will notify the requestor if additional processing time is needed due to substantial research by the Division or where federal approval may be required.

DEL will provide the final disposition (approved or declined) on the prior approval request via the Division of Early Learning Financial Administration and Budget Portal.

Prior approval by DEL is only applicable to transactions funded in full or in part by monies received directly from DEL and other early learning related transactions funded by other monies subject to federal/state laws, rules, and program regulations (i.e., program income, match donations, etc.).

Prior approval by DEL is based on the limited information submitted with the request as justification for the proposed expenditure or action. DEL may question or disallow the expenditure if it is not in accordance with the facts presented or OMB and HHS requirements. Factors which may be considered by a monitor or auditor include, but are not limited to the following:

- Inadequate documentation
- Failure to follow internal (local), state, or federal policies or procedures
- Expenditure is determined either not necessary, not reasonable, not allocable, or not allowable
- Non-compliance with applicable federal or state laws or regulations

Please note: Costs submitted for prior approval remain subject to applicable federal/state grant program laws, rules, regulations and guidance regarding allowability. Prior approval does not limit

DEL's ability to assess potential questioned or disallowed costs if a transaction receives prior approval but is later found to be prohibited.

EFFECTIVE DATE

Issuance of this guidance represents approval by DEL management of the indicated procedures and related administrative forms. These procedures will be effective as of the date of this guidance. Revised June 30, 2017; effective date July 1, 2017. Revised and reissued July 1, 2019. Revised and reissued July 1, 2021. Revised and reissued July 1, 2022.

ATTACHMENTS

Attachment I - How to Submit a Prior Approval Request

Attachment II - Prior Approval Reference Guide

Please direct questions and comments to the Division of Early Learning at
OEL.Questions@OEL.MyFlorida.com