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Office of Compliance Issuance

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Release Number-Program Year

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Expiration Date: Continuous, until further notice

Family and Workforce Centers of America (FWCA) is the fiscal agent and workforce support organization for Saint Louis County Workforce Development.

SUBJECT:

Stand-In Costs

ATTACHMENTS (if any): (N/A)

This Issuance is an official policy of St. Louis County Workforce Development.

This Issuance Affects:

- Workforce Innovation and Opportunity Act (WIOA) Programs
Title I: Adult
Title I: Dislocated Worker
Title I: Youth

FOR THE ATTENTION OF:

All applicable WIOA staff or subcontractors—Implementation of this policy is immediate and continuous.

RESCISSIONS: N/A

REFERENCES:

DHEWD Financial Manual

SUMMARY

St. Louis County Workforce Development (STLCOWD)'s Stand-In Costs policy provides requirements to be used by fiscal agent and subrecipient(s).

BACKGROUND

Stand-In Costs are defined as:

- non-Federal costs that may be substituted for disallowed grant costs.
- costs paid from non-Federal resources that substitute for Federal costs that have been disallowed as a result of an audit or other review.

SUBSTANCE

A. STAND-IN COSTS

Stand-in costs may be substituted for disallowed costs when they meet the following seven (7) criteria:

1. The costs must be allowable costs that were actually incurred for the benefit of federally funded program but paid from a non-Federal fund source.
2. The costs must have been incurred and are allowable to the grant costs reported to the DHEWD as uncharged program costs under the same grant and in the same program year in which the disallowed costs were incurred.
3. The costs shall have been incurred in compliance with applicable regulations, laws, and the terms and conditions governing the DHEWD-funded program.
4. The costs shall have been included within the scope of fiscal agent and subrecipient(s)' single audit and accounted for in the fiscal agent and subrecipient(s)' financial system.
5. The costs must not violate any administrative or other cost limitations.
6. The costs must be adequately documented in the same manner as all other DHEWD-funded program costs. Specifically, stand-in costs must have been reported on the Quarterly Program Income/Stand-in Report.
7. The disallowed cost(s) must occur under the same program that the stand-in costs were reported under.

B. NOT STAND-IN COSTS & LIMITATIONS

I. Not Stand-In Costs

- Discounts, refunds, or rebates
 - The dollar value of discounts cannot be considered as an allowable grant cost.

- In-kind contributions
 - Not considered unpaid DHEWD program liabilities
- Uncompensated overtime
- Unbilled premises costs associated with fully depreciated publicly owned buildings
- Allocated costs derived from an improper allocation methodology
- Any State share of the cost of State or community college tuition

II. Limitations

- Stand-in costs cannot be created using circumstances or conditions that appear to be legitimate liabilities if no actual costs are incurred.
- DHEWD will not consider any proposal to substitute disallowed costs with stand-in costs if the disallowed costs result from fraud.
- Before utilizing stand-in costs to substitute disallowed costs, fiscal agent and subrecipient must notify DHEWD by contacting the Assistant Director for Grants Management at Grants@dhewd.mo.gov.
- Substituted Stand-In costs must be subtracted from the accumulated stand-in costs on the immediately following Quarterly Report.

TIMELINE

Immediate and continuous

INQUIRIES

Please direct all questions or comments regarding this Issuance document to stlcowd@fwca-stl.com. All active, expired, or rescinded Issuances are available upon request.