

TITLE: Cost Principles, Audit and Administrative Requirements for Federal Awards	DEPT./SECTION: Finance 1.40
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OMB UNIFORM GUIDANCE: COST PRINCIPLES, AUDIT AND ADMINISTRATIVE REQUIREMENTS FOR FEDERAL AWARDS

01.100 General Guidelines

It is the responsibility of Program Managers and the Executive Health Director to assure that all costs charged to a program are permitted under the terms of the grant or contract agreement. The most important factor which governs the eligibility of the expenditure is the grant or contract agreement. Many agreements restrict the type or amount of expenditure. The agreement prevails over all other federal guidelines governing the expenditure of funds.

If the terms of the agreement require matching funds from the center, the expenditure of the matching portion falls under the same general guidelines as the agreement.

The Chief Financial Officer and Finance Manager are experts on allowable federal expenditures and should be consulted when questions arise about expenditures to be charged to federal programs and other restricted awards.

01.200 OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards

Program Directors should refer to *OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards* as a general guide in the allowability of costs charged to the program. The types or examples of expenditures in *OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards* will provide information on costs typically associated with federally funded programs.

Program Directors also refer to 2 CFR part 200 and 45 CFR Part 75 Subpart E: Cost Principles.

Highlights of 45 CFR Part 75 Subpart E follow here; copies of both document may be also obtained from the Finance Office for reference.

01.300 Allowable Expenditures with Reference to Unallowable Costs

Advertising and Public Relations. This generally means advertising media and corollary administrative costs; recruitment of personnel, bidding for contracts and services from federal awards, communication for the public.

Advisory Councils. Restricted to inclusion in the federal award or as an indirect cost.

Alcoholic Beverages. NOT ALLOWABLE.

Alumni Activities. NOT ALLOWABLE.

Audit Services. Allowable.

Bad Debts. NOT ALLOWABLE.

Bonding Costs. Allowable.

Collection of Improper Payment. Allowable.

Commencement & Convocation Costs. NOT ALLOWABLE, except as a student activity cost.

Compensation for Personal Services. Allowable.

Compensation. Fringe Benefits. Allowable.

Contingency. Generally, if included in a federal award, the contingency can be transferred to a specific identifying line item and used. It cannot be charged to a general contingency line-item.

Contributions and Donations. NOT ALLOWABLE.

Defense and Prosecution of Criminal and Civil Proceedings, Claims, Appeals, and Patent Infringements. Generally, not allowed. Check with the Finance Manager before incurring any costs for this category.

Depreciation. Allowable with detailed guidance in the federal rule.

Employee Morale, Health, and Welfare Costs. Allowable.

Entertainment Costs. NOT ALLOWABLE.

Equipment and Other Capital Expenditures. Allowable with restrictions. See Finance Manager for guidance. Equipment costs are unallowable as indirect costs, but depreciation on the equipment is allowable as an indirect cost.

Fines, Penalties, Damages and Other Settlements. NOT ALLOWABLE.

Fund Raising and Investment Management Costs. Fund raising is NOT ALLOWABLE, except when allocated as an indirect cost. Investment management costs are allowable.

Gains and Losses on Disposition of Depreciable Assets. Gains and losses on disposition of depreciable assets is relatively complex and any consideration for this line item will need approval of the Finance Manager.

General Government Expense. Allowable as a component of the Tribal Council with restrictions.

Goods or Services for Personal Use. Allowable.

Idle Facilities and Idle Capacity. Generally, NOT ALLOWABLE.

Insurance and Indemnification. Allowable.

Intellectual Property. Allowable with strict restrictions. Check with Finance Manager.

Interest. NOT ALLOWABLE.

Lobbying. NOT ALLOWABLE.

Losses on Other Federal Awards or Contracts. NOT ALLOWABLE.

Maintenance and Repair Costs. Allowable.

Material and Supply Costs, Including Costs of Computing Devises. Allowable.

Meetings & Conferences (External). Allowable.

Memberships, Subscriptions and Professional Activity Costs. Allowable.

Organization Costs. This is related to the establishment of a new entity. NOT ALLOWABLE, except for prior approval of the awarding agency.

Participant Support Costs. Allowable.

Plant and Homeland Security Costs. Allowable.

Pre-Award Costs. Allowable only with the prior approval of the awarding agency.

Professional Service Costs. Allowable.

Professional Costs. Generally allowable only as an indirect cost and approved by the cognizant agency of the recipient.

Publication & Printing Costs. Allowable.

Remanagement and Reconversion Costs. Allowable direct program cost with prior funding agency approval. In limited situations, prior approval of the federal awarding agency is not required.

Recruiting Costs. Allowable.

Relocation Costs of Employees. Generally allowable.

Retail Costs of Real Property and Equipment. Allowable.

Scholarships and Student Aid Costs. Allowable.

Selling and Marketing Costs. NOT ALLOWABLE, without prior approval of the awarding agency.

Specialized Service Facilities. Allowable.

Student Activity Costs. NOT ALLOWABLE, unless included in the federal award.

Taxes. Allowable, except (as a general rule) self-assessed taxes.

Termination Costs. This is a complex issue and should be determined by the Board of Directors. Termination costs can be allowable depending upon the circumstances surrounding the termination.

Training and Education Costs. Allowable.

Transportation Costs. Allowable.

Travel Costs. Allowable.

Trustees. NOT ALLOWABLE, except for prior approval of the awarding agency. However, note the previous rule for government expense for the exception.

APPROVED BY:	
 Yakutat Tribal Health Board Chair	Date 8/22/18
 Yakutat Tribal Health Board Member	Date 8/22/18