

OMB Circular A-110

Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

- >> standards for obtaining consistency and uniformity among Federal agencies in the administration of grants and agreements [to the above entities].
- >> applies to all Federal agencies, and applicable to all recipients; recipients to apply provisions to subrecipients.

A. Definitions: (long list provided)

Award – financial assistance that provides support or stimulation to accomplish a public purpose.

Contract – procurement

Cost sharing or matching – project costs not borne by Federal Government [distinguished from “in-kind” costs or “third party in-kind” costs]

Disallowed costs – references Federal cost principles (i.e., A-21)

Program income – income generated by a supported activity or earned as a result of the award. Unless specified in the award, this does not include:

- program income earned after the end of the project period
- license fees and royalties for copyrighted material, patents, trademarks, inventions

R & D – “Research” = systematic study directed toward full scientific knowledge or understanding; includes training of individuals. “Development” = systematic use of knowledge and understanding gained from research.

Small award – Grant or cooperative agreement ≤\$25,000

B. Pre-Award Requirements

- >> does not define “grant” or “cooperative agreement”; however, the latter includes substantial involvement between the Federal agency and the recipient.
- >> vs. “contract”, where the primary purpose is the acquisition of property or services.

Forms – if not specified by agency, default is SF424 series

Debarment and suspension

Special award conditions – e.g., if recipient (a) has a history of poor performance; (b) is not financially stable; (c) has a substandard management system (based on A-110 requirements); (d) has not conformed to the conditions of a previous award; or (e) is not otherwise responsible.

Certifications and representations

C. Post-Award Requirements

1. prescribe standards for financial management systems,* methods for making payments, and rules for (a) satisfying cost share and matching requirements; (b) accounting for program income; (c) approving budget revisions; (d) determining allowability of costs.

* Recipients’ financial management systems must:

- allow accurate, current and complete disclosure
- maintain records of the source and application of Federal funds
- have control over and accountability for all funds

- have written procedures for determining the reasonableness, allowability and allocability of costs [cf. A-21]
- maintain accounting records with source documents

2. Payment – usually via reimbursement

- letter of credit
- bill Federal agency, or drawdown

3. Cost sharing or Matching – must be:

- verifiable
- not used toward another Federal award
- necessary and reasonable
- allowable under applicable cost principles (e.g., A-21)
- not from other Federal sources
- provided for in approved budget

May include:

- unrecovered indirect costs, w/prior approval of funding agency
- volunteer services
- contributed services and property
- third party employee services
- donated supplies
- >> must be able to document the real cost of value of these items (as above)

4. Program income – must be:

- applied toward project or program activities
- used to finance non-Federal share of project or program
- deducted from total costs in determining Federal share of costs

5. Revision of budget and program plans

Permission required for:

- change in scope or objective
- change in key personnel
- 3 months absence, or 25% reduction in effort by PI
- need for additional funding
- deviations from A-21 principles
- transfer of funds from indirect to direct costs, or vice versa [if required by agency]
- transfer of training allowances (e.g., trainee stipends) to other categories
- subawards or contracting out work, if not in original approved budget

Prior approval may be waived for:

- pre-award costs up to 90 days
- one-time NCE up to 12 months
- carry forward of unobligated balances
- >> does not specifically reference FDP guidelines

Agency may restrict transfer of funds among budget items if (a) award is > \$100,000, or (b) transfer is > 10% of budget.

6. Equipment

Title usually rests with recipient, but must:

- maintain records
- maintain inventory

- establish control system (e.g., tagging)
- ensure adequate maintenance

7. Intangible property

- copyright
- patents and inventions
- research data (Federal Gov't retains rights of access, and FOIA applies)

8. Procurement standards

- >> "for use by recipients in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds."
- codes of conduct / COI
- competition, including SWAM
- procurement procedures ; establish written procedures

9. Reports and Records

Reports:

- establish frequency of financial and technical reports prescribed by agency
- establish timing of final financial and technical reports
- procedures for monitoring and reporting on recipient's financial and program performance
- standard reporting forms
- record retention requirements

Retention:

- 3 years from final financial report
 - includes financial records, supporting documentation, statistical records and all other pertinent records for an award.
- must be accessible for review

10. Termination and enforcement

D. After-the-Award Requirements

Closeout procedures, e.g.:

- deadlines for financial and technical reports
- disposition of unexpended balances