Circular A–133, “Audits of States, Local Governments, and Non-Profit Organizations.”

(b) State and local governments shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. 7501–7507) and revised OMB Circular A–133, “Audits of States, Local Governments, and Non-Profit Organizations.”

(c) For-profit hospitals not covered by the audit provisions of revised OMB Circular A–133 shall be subject to the audit requirements of the Federal awarding agencies.

(d) Commercial organizations shall be subject to the audit requirements of the Federal awarding agency or the prime recipient as incorporated into the award document.

§215.27 Allowable costs.

For each kind of recipient, there is a set of Federal principles for determining allowable costs. Allowability of costs shall be determined in accordance with the cost principles applicable to the entity incurring the costs. Thus, allowability of costs incurred by State, local or federally-recognized Indian tribal governments is determined in accordance with the provisions of 2 CFR part 225, “Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A–87).” The allowability of costs incurred by non-profit organizations is determined in accordance with the provisions of 2 CFR part 230, “Cost Principles for Non-Profit Organizations (OMB Circular A–122).” The allowability of costs incurred by institutions of higher education is determined in accordance with the provisions of 2 CFR part 220, “Cost Principles for Educational Institutions (OMB Circular A–21).” The allowability of costs incurred by hospitals is determined in accordance with the provisions of appendix E of 45 CFR part 74, “Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts with Hospitals.” The allowability of costs incurred by commercial organizations and those non-profit organizations listed in Attachment C to Circular A–122 is determined in accordance with the provisions of the Federal Acquisition Regulation (FAR) at 48 CFR part 31.

[70 FR 51880, Aug. 31, 2005]

§215.28 Period of availability of funds.

Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency.

§215.29 Conditional exemptions.

(a) OMB authorizes conditional exemption from OMB administrative requirements and cost principles circulars for certain Federal programs with statutorily-authorized consolidated planning and consolidated administrative funding, that are identified by a Federal agency and approved by the head of the Executive department or establishment. A Federal agency shall consult with OMB during its consideration of whether to grant such an exemption.

(b) To promote efficiency in State and local program administration, when Federal non-entitlement programs with common purposes have specific statutorily-authorized consolidated planning and consolidated administrative funding and where most of the State agency’s resources come from non-Federal sources, Federal agencies may exempt these covered State-administered, non-entitlement grant programs from certain OMB grants management requirements. The exemptions would be from:

(1) The requirements in 2 CFR part 225, “Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A–87)” other than the allocability of costs provisions that are contained in subsection C.3 of appendix A to that part;

(2) The requirements in 2 CFR part 230, “Cost Principles for Educational Institutions (OMB Circular A–21)” other than the allocability of costs provisions that are contained in paragraph C.4 in section C of the appendix to that part;

(3) The requirements in 2 CFR part 230, “Cost Principles for Non-Profit Organizations (OMB Circular A–122)”
other than the allocability of costs provisions that are in paragraph A.4 in section A of appendix A to that part:

(4) The administrative requirements provisions of part 215 (OMB Circular A–110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations”); and

(5) The agencies’ grants management

common rule (see §215.5).

(c) When a Federal agency provides
this flexibility, as a prerequisite to a
State’s exercising this option, a State
must adopt its own written fiscal and
administrative requirements for ex-
pending and accounting for all funds,
which are consistent with the provi-
sions of 2 CFR part 225, “Cost Prin-
ciples for State, Local, and Indian
Tribal Governments (OMB Circular A–
87)” and extend such policies to all sub-
recipients. These fiscal and administra-
tive requirements must be sufficiently
specific to ensure that: funds are used
in compliance with all applicable Fed-
eral statutory and regulatory provi-
sions, costs are reasonable and nec-
essary for operating these programs,
and funds are not be used for general
expenses required to carry out other
responsibilities of a State or its sub-
recipients.

§215.30 Purpose of property stand-
ards.

Sections 215.31 through 215.37 set
forth uniform standards governing
management and disposition of prop-
erty furnished by the Federal Govern-
ment whose cost was charged to a
project supported by a Federal award.
Federal awarding agencies shall re-
quire recipients to observe these stand-
ards under awards and shall not impose
additional requirements, unless specifi-
cally required by Federal statute. The
recipient may use its own property
management standards and procedures
provided it observes the provisions of
§215.31 through §215.37.

§215.31 Insurance coverage.

Recipients shall, at a minimum, pro-
vide the equivalent insurance coverage
for real property and equipment ac-
quired with Federal funds as provided
to property owned by the recipient.
Federally-owned property need not be
insured unless required by the terms
and conditions of the award.

§215.32 Real property.

Each Federal awarding agency shall
prescribe requirements for recipients
concerning the use and disposition of
real property acquired in whole or in
part under awards. Unless otherwise
provided by statute, such require-
ments, at a minimum, shall contain
the following:

(a) Title to real property shall vest in
the recipient subject to the condition
that the recipient shall use the real
property for the authorized purpose of
the project as long as it is needed and
shall not encumber the property with-
out approval of the Federal awarding
agency.

(b) The recipient shall obtain written
approval by the Federal awarding agen-
cy for the use of real property in other
federally-sponsored projects when the
recipient determines that the property
is no longer needed for the purpose of
the original project. Use in other
projects shall be limited to those under
federally-sponsored projects (i.e.,
awards) or programs that have pur-
poses consistent with those authorized
for support by the Federal awarding
agency.

(c) When the real property is no
longer needed as provided in para-
graphs (a) and (b) of this section, the
recipient shall request disposition in-
structions from the Federal awarding
agency or its successor Federal award-
ing agency. The Federal awarding
agency shall observe one or more of the
following disposition instructions.

1) The recipient may be permitted to
retain title without further obligation
to the Federal Government after it
compensates the Federal Government
for that percentage of the current fair
market value of the property attrib-
utable to the Federal participation in
the project.