§ 550.25 Allowable costs.

For each kind of Cooperator, 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 OMB Circular A-87, “Cost Principles for State, Local, and Indian Tribal Governments” codified at 2 CFR part 225. The allowability of costs incurred by non-profit organizations is determined in accordance with the provisions of OMB Circular A-122, “Cost Principles for Non-Profit Organizations” codified at 2 CFR part 230. The allowability of costs incurred by institutions of higher education is determined in accordance with the provisions of OMB Circular A-21, “Cost Principles for Educational Institutions” codified at 2 CFR 220. The allowability of costs incurred by hospitals is determined in accordance with the provisions of subpart E of 45 CFR part 74. The allowability of costs incurred by commercial organizations and those non-profit organizations listed in appendix C to Circular A-122 (2 CFR part 230) is determined in accordance with the contract cost principles and procedures of the Federal Acquisition Regulation (FAR) at 48 CFR part 31.

§ 550.27 Prior approvals.

(a) The budget is the financial expression of the project or program as approved during the award process. REE agencies require that all Federal costs be itemized on the approved budget. The budget shall be related to performance for program evaluation purposes.

(b) Cooperators are required to report deviations from budget and program plans, and request prior approvals for budget and program plan revisions.

(c) Cooperators shall request prior approvals from REE Agencies for one or more of the following program or budget related reasons.

1. Incur pre-award costs up to 90 days prior to award date. All pre-award costs are incurred at the Cooperator’s risk (i.e., the REE Agency is under no obligation to reimburse such costs if for any reason the Cooperator does not receive an award or if the award is less than anticipated and inadequate to cover such costs).

2. Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).

3. The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.