

**CALHOUN COUNTY
BOARD OF COMMISSIONERS
POLICY STATEMENT**

SUBJECT:	DATE APPROVED:	EFFECTIVE:	POLICY NO.
FEDERAL GRANTS – ALLOWABLE COSTS	12/17/15	IMMEDIATELY	242
		REPLACES: NEW	

PURPOSE: The purpose of this policy is to establish procedures to ensure compliance with OMB Circular A-87, “*Cost Principles for State, Local, and Indian Tribal Governments*”, specifically allowable costs and cost principles as they relate to grants with the Federal Government.

AUTHORITY: The Calhoun County Board of Commissioners.

RESPONSIBILITY: The Office of the Administrator/Controller shall be responsible for the implementation and administration of this policy.

POLICY: The requirements for allowable costs/cost principles are contained in the A-102 Common Rule, OMB Circular A-87, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, Calhoun County has implemented the following policies and procedures:

1. All grant expenditures will be in compliance with OMB Circular A-87, “*Cost Principles for State, Local, and Indian Tribal Governments*”, State law, Government policy, and the provisions of the grant award agreement. Grant funds will only be used for expenditures that are considered reasonable and necessary for the administration of the program.
2. Grant expenditures will be approved by the Grant Manager initially through the purchase order process, and when the bill or invoice is received. This will be evidenced by signature or initials and date on the invoice. Accounts payable disbursements will not be processed for payment by the Accounts Payable Coordinator until necessary approval has been obtained.
3. Payroll costs will be documented in accordance with OMB Circular A-87.
4. An indirect cost rate will only be charged to the grant to the extent that it was specifically approved through the grant budget/agreement.