

U.S. Department of Housing and Urban Development
Community Planning and Development

Special Attention of: Transmittal Handbook No.: 1300.20

CPD Staff
CDBG Grantees

Issued: June 30, 1983

1. This Transmits

Handbook 1300.20, Cost Principles for Non-Profit Organizations,
OMB Circular A-122.

2. Purpose:

The Office of Management and Budget (OMB) has established a set of cost principles to enable a uniform approach to the problem of determining costs for nonprofit organizations in its Circular A-122, July 1980. This Handbook is a brief introduction and a full reprinting of the Circular.

3. Filing Instructions:

Insert Handbook 1300.20 dated June 30, 1983.

Handbook 1300.20

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Program Participants
and Departmental Staff

Cost Principles for
Nonprofit Organizations
(A Reprint of Office of
Management and Budget
Circular A-122)

FOREWORD

Circular A-122 provides uniform rules for determining costs applicable to grants, contracts, and other agreements (including subawards) with nonprofit organizations other than institutions of higher education and hospitals. It defines allowable costs and sets forth the procedures to recover them. The principles are designed to provide that Federally assisted programs bear their fair share of costs. The Circular also provides that one Federal agency shall negotiate grantees' indirect costs on behalf of all other Federal agencies.

Headquarters personnel may direct their questions on the material in the Handbook to the Office of Procurement and Contracts. Field personnel may direct their questions to the respective Regional Contracting Officer.
