

FINANCIAL REQUIREMENTS SUMMARY

ESG Program Grantees and Recipients

As is the case with all Federal grant programs, administration of the ESG Program is subject to the uniform policies and requirements of the Office of Management and Budget's (OMB) Circulars and Federal regulations implementing the Circulars. The Circulars set standards for the administration of grants, principles for determining what costs are allowable, and requirements for independent audits. The Circulars also address many other management issues, including recordkeeping, procurement, bank accounts, and program income.

A.OMB Circulars and Regulations Relevant to Nonprofit Recipients

Citation	Title and Brief Explanation
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A-122	Cost Principle for NonProfit Organization.
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Provides uniform rules for determining allowable costs applicable to grants, contracts, and other agreements with nonprofit organizations. Establishes procedures for negotiation and approval of indirect cost rates. An overview of A-122 is included at the end of this document.

24 CFR Part 45	Audits of Institutions of Higher Education and Other Nonprofit Organization.
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Sets forth guidance for Federal agencies to achieve consistency and uniformity in the auditing of grants and other awards provided to nonprofit organizations. Also promotes the efficient and effective use of audit services. Implements OMB Circular A-133.

24 CFR Part 84	Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
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Provides standards for obtaining consistency and uniformity among Federal agencies in the administration of grants to, and other agreements with, public and private institutions of higher education, public and private hospitals, and other public and private nonprofit organizations. Implements Circular A-110.

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A-21	Cost Principles for Educational Institutions
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Establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions.

B.OMB Circulars and Regulations Relevant to Local Government Grantees

<u>Citation</u>	<u>Title and Explanation</u>
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A-87	Cost Principles for State and Local Governments
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Provides rules for determining and reviewing applicability and reasonableness of expenditures. Also provides guidance for reviewing and approving cost allocation plans.

A-128	Audits of State and Local Governments
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Establishes audit requirements for State and local governments receiving Federal aid, and defines Federal responsibilities for implementing and monitoring audit requirements.

24 CFR Part 85	Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments
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The requirements of Part 85 also apply to State and local government grantees. Provides standards for establishing consistency and uniformity among Federal agencies in the administration of grants to State, local, and Federally recognized Indian tribal governments. Implements Circular A-102.