|  |  |  |  |
| --- | --- | --- | --- |
| **Guide for Review of Section 4 Cost Allowability** | | | |
| **Name of Recipient:** | | | |
| **Name of Subrecipient (if applicable):** | | | |
| **Name of Program(s) Monitored:** | | | |
| **Grant Numbers Reviewed:** | | | |
| **Staff Consulted:** | | | |
| **Name(s) of Reviewer(s)** |  | **Date** |  |

**NOTE:** All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the recipient's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a **"finding.**"

**Instructions:** The Exhibit is designed to monitor cost allowability requirements for Section 4 program recipients as described in 24 CFR Part 84 and the applicable OMB Circulars for grant agreements signed prior to December 19, 2014. It is intended to assist the HUD reviewer in evaluating a representative sample of cost items to ensure compliance with the basic principles, including adequacy of documentation for costs charged to HUD awards. It does not address in detail the procedures for developing indirect cost allocation plans and indirect cost proposals. If time permits, an additional sample, beyond the selected items of cost identified in Question 1, should be reviewed to assess compliance with the cost allowability. The reviewer should select an appropriate sample of items of cost for review, following the Work Plan and DRGR activity sampling guidance in the introductory text to the Section 4 chapter. This Exhibit has 4 sections: Sampling, Basic Considerations, Indirect Costs, and Direct Costs. For grant agreements signed after December 19, 2014, and, therefore, subject to 2 CFR Part 200, use Exhibit 34-2 in Chapter 34 of this Handbook. Note that, in this Exhibit, the following terms are used interchangeably when referring to RCB grant awardees: program participant, recipient, non-Federal entity.

A. SAMPLING

1.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Provide information on the selected sample of cost items in table below. (If additional rows are needed, please attach an additional sheet.) This section can be completed ahead of time, from a sample of vouchers. | | | | |
|  | **Cost Item description** | **budgeted** | **EXPENDED** | **date expended** |
| 1. |  |  |  |  |
| 2. |  |  |  |  |
| 3. |  |  |  |  |
| 4. |  |  |  |  |
| 5. |  |  |  |  |
| 6. |  |  |  |  |
| 7. |  |  |  |  |
| 8. |  |  |  |  |
| 9. |  |  |  |  |
| 10. |  |  |  |  |

B. BASIC CONSIDERATIONS

2.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does a review of program expenditures reveal all costs are allowable as itemized in OMB Circular A-122, Attachment B? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

3.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If deficiencies were noted above, does your review indicate that the problems are isolated or systemic? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

C. INDIRECT COSTS

4.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If the recipient charges indirect costs to the grant program, are such costs supported by an Indirect Cost Rate/Cost Allocation Plan prepared in accordance with OMB Circular A-122? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

5.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If indirect costs are charged to the grant program by a subrecipient that is a nonprofit organization, are the costs supported by an indirect cost proposal prepared in accordance with OMB Circular A-122? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

D. DIRECT COSTS

6.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does your review show that no costs related to political activities have been charged to the program?  [24 CFR 84.27 or OMB Circular A-122] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

7.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does a review of the staff being paid from grant funds reveal that all those individuals are working on eligible program activities?  [24 CFR 84.27 or OMB Circular A-122] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

8.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does a review of the personnel roster of staff being paid from grant funds reveal that all staff is being paid for the hours spent working on program activities? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

9.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Are costs charged to the grant program not allocable to or included as a cost of any other Federally-financed program for the time period under review?  [24 CFR 84.27 or OMB Circular A-122] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

10.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does your review show that no costs related to lobbying and political activities have been charged to the grant program?  [24 CFR 84.27 or OMB Circular A-122] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |