



Office of  
Native American  
Programs

**No.2004-12**  
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# PROGRAM GUIDANCE

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**PROGRAM:** All Programs

**FOR:** Tribal Government Leaders and Tribally Designated Housing Entities

*RJB*

**FROM:** Rodger J. Boyd, Deputy Assistant Secretary, PN

**TOPIC:** OMB Circulars A-21, A-87 and A-122

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**Purpose:** This is sent to notify you of the revisions to the Office of Management and Budget (OMB) Circulars A-21, A-87 and A-122.

**Background:** All recipients of federal funds are required to comply with one of the following Circulars:

- OMB Circular No. A-21, "Cost Principles for Educational Institutions;"
- OMB Circular No. A-87, "Cost Principles for State, Local and Indian Tribal Governments" or
- OMB Circular No. A-122, "Cost Principles for Non-Profit Organizations."

**Objective:** OMB amended the cost principles in these three Circulars to further the objectives of Public Law 106-107, the Federal Financial Assistance Management Improvement Act. The intent was to simplify the cost principles, making the descriptions of similar cost items consistent across the Circulars where possible, and reducing the possibility of misinterpretation.

**Amended Circulars:** For your convenience in reviewing these amendments, OMB prepared a chart that compares the cost items in these three Circulars. It was published in the Federal Register on May 10, 2004, and can be accessed on OMB's website at: <http://www.whitehouse.gov/omb/query.html?col=omb&qt=Circulars>. The amended Circulars can be obtained at: <http://www.whitehouse.gov/omb/circulars/index.html>.

If you have questions regarding the applicability to your organization, please contact your Area ONAP.