

SECTION XI--FEDERAL GRANTS

ALLOWABLE COSTS/COST PRINCIPLES:

Administrative and accounting controls should be established to assure that federally assisted programs bear their fair share of recognized costs as determined by allowable cost principles. The cost of a federally-supported program is comprised of the allowable direct cost of the program plus its allocable portion of allowable indirect costs less applicable credits. OMB Circular No. A-87 "Cost Principles for State and Local Governments," establishes principles and standards for determining costs applicable to grants, contracts, and other agreements with state and local governments and federally-recognized Indian Tribal governments.