

# Cost Principles for State and Local Governments and Nonprofit Organizations (CPAG)

## Course Overview

With few exceptions, entities that receive federal government grants must follow certain cost principles, which, if violated, can result in unallowable expenditures that culminate in large refunds to the granting agency. Understand the cost principles applicable to state and local governments and nonprofit organizations, and learn how to ensure that costs claimed against government grants are allowable and can be reimbursed. This course will allow you to help your clients avoid the financial cost—and unpleasant publicity—related to significant disallowance.

**Note:** These cost principles do not cover colleges, universities and hospitals. We will discuss the concepts of allocation, but not the development of indirect cost rates.

## Objectives

- Identify the criteria for determining whether a cost is allowable.
- Determine the permissibility of specific items of cost.
- Recognize how to adequately document claimed costs.

## Major Topics

- Structure of regulations governing grant programs
- Rules of allowability
- Permissibility of most cost categories
- Documentation requirements
- 2 CFR 225 (formerly OMB Circular A-87)
- 2 CFR 230 (formerly OMB Circular A-122)
- Coming changes as a result of the "Supercircular"

**Field of Interest Code:** Auditing (Governmental)

**CPE Hours:** 8.00 | AA: 8.00 | GT: 8.00 | YB: 8.00

**Level:** Basic

**Designed for:**

Government grantees, government auditors and CPAs who conduct single audits.

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