



State Highway Traffic Safety

Contract Reimbursement Training

Summary of Topics

- Super Circular 2 CFR 200
- Composition of Costs
 - Direct & Indirect
 - Allowable Costs
- Back Up Documentation
 - Personal Services
 - Fringe Benefits
 - Operating Costs
- Useful Information:
 - MOM - Montana Operations Manual
 - Montana Highway Traffic Safety Website
 - NHTSA Website

Super Circular

2 CFR 200

This final guidance supersedes and streamlines requirements from:

- OMB Circulars: A-21, **A-87**, A-110, and A-122
{2 CFR Part 225} Cost Principles for State, Local, and Indian Tribal Governments
- OMB Circulars A-89, A-102, and **A-133**; and
- the guidance in Circular A-50 on Single Audit Act follow-up.

Super Circular

2 CFR 200

OFFICE OF MANAGEMENT AND BUDGET
2 CFR Chapter I, and Chapter II, Parts 200, 215, 220, 225, and 230
Uniform Administrative Requirements, Cost Principles, and Audit
Requirements for Federal Awards

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<http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>

Super Circular

2 CFR 200

Project costs must be compatible with the applicable federal requirements from:

Highway safety grant funding policy for NHTSA field administered grants (online at www.nhtsa.dot.gov/nhtsa/whatsup/tea21/index.html) and whichever CFR from below applies to your entity:

- **2 CFR Part 215** *Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations* (formerly OMB Circular A-110)
- **2 CFR Part 220** *Cost principles for educational institutions* (formerly OMB Circular A-21)
- **2 CFR Part 225** *Cost Principles for state, local, and Indian tribal governments* (formerly OMB Circular A-87)
- **2 CFR Part 230** *Cost principles for non-profit organizations* (formerly OMB Circular A-122)

The Different Entities

The Federal Awarding Agency

200.74 Pass-Through Entity

Pass-through entity means a non-Federal entity that provides a sub-award to a sub-recipient to carry out part of a Federal program.

200.93 Sub-recipient.

Sub-recipient means a non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A sub-recipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

200.23 Contractor.

Contractor means an entity that receives a contract as defined in § 200.22 Contract.

200.22 Contract

Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.

Subpart E – Cost Principles

200.400 – Policy Guide

▶ Fundamental premises:

- The non-Federal entity is responsible for effective/efficient **administration** of the federal award
- The non-Federal entity must **comply** with agreements, objectives, terms, and conditions of the federal award
- The non-Federal entity has primary **managerial responsibility**

§ 200.69 Non-Federal entity

Non-Federal entity means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or sub-recipient.

Recurring Themes



- ▶ Necessary
- ▶ Reasonable
- ▶ Consistency
- ▶ Support
- ▶ Documentation



Subpart E – Cost Principles 200.402

- **Composition of costs:**
 - The **Total Cost** is the sum of:
 - the **allowable** direct and **allocable** indirect costs
 - less any **applicable credits**



+



-



“Buy America!”

Subpart E – 200.403

Factors affecting allowability of costs

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be **necessary** and **reasonable** for the performance of the Federal award and be allocable hereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.

(c) Be **consistent** with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.

(d) Be accorded **consistent treatment**. A cost may not be assigned to a Federal award as a **direct cost** if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an **indirect cost**.

(e) Be determined in accordance with generally accepted accounting principles

(f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period

(g) Be **adequately documented**

Subpart E – Cost Principles

200.412 Classification of Costs

Direct vs. Indirect Costs

- A cost may be **direct** with respect to some specific service or function, but **indirect** with respect to the Federal award or other final cost objective.
- Therefore, it is essential that **each item of cost incurred for the same purpose be treated consistently in like circumstances** either as a **direct** or an **indirect** cost in order to avoid possible double-charging of Federal awards.

Subpart E – Cost Principles

200.413 Direct Costs

▶ Direct costs:

Can be identified specifically with a particular final cost objective



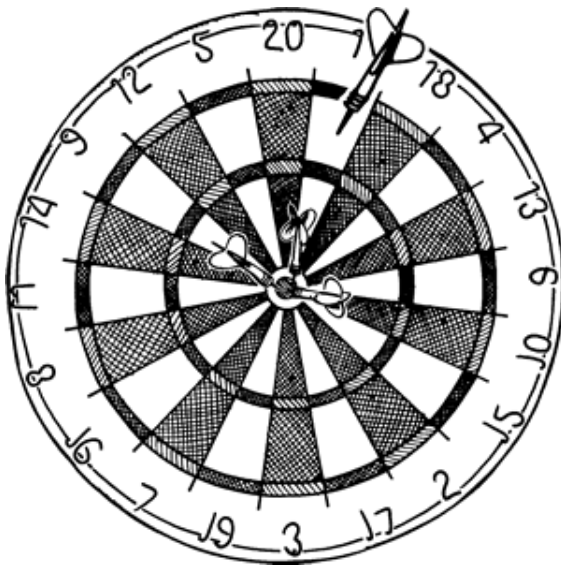
- Can be directly assigned to such activities relatively easily with a high degree of accuracy.

“Buy America!”

Subpart E – Cost Principles

200.413 Direct Costs

- Identification with the Federal award, rather than the nature of the goods and services involved, is the **determining factor** in distinguishing **direct** from **indirect** costs of Federal awards



Subpart E – Cost Principles

200.413 Direct Costs

- Direct costs can be directly assigned to such activities relatively easily with a high degree of accuracy

Typical costs charged directly to a Federal award are:

- the **compensation** of employees who work on that award
- their related **fringe benefit** costs
- The costs of **materials** and **other items of expense** incurred for the Federal award.

If directly related to a specific award

certain costs that otherwise would be treated as indirect costs may also include:

- extraordinary utility consumption,
- the cost of materials supplied from stock or services rendered by specialized facilities
- or other institutional service operations

Any direct cost of minor amount may be treated as an indirect cost

Subpart E – Cost Principles

200.414 Indirect Costs

- ▶ Indirect (F&A) costs:

Classified as “facilities” (space costs) or
“administration” (overhead costs)

**Cannot be identified specifically with a particular
final cost objective**



Subpart E – Cost Principles

200.414 Indirect Costs

▶ Facilities

- Depreciation on buildings,
- Equipment and capital improvement,
- Interest on debt associated with certain buildings,
- Equipment and capital improvements, and
- **Operations and maintenance expenses.**



▶ Administration

- **General administration and general expenses**
- Director's office
- **Accounting, Personnel, Clerical** and
- All other types of expenditures not listed specifically under one of the subcategories of Facilities



Direct vs. Indirect Costs?

- Costs incurred for the
- same purpose in like circumstances
- must be treated **consistently**
- as either **direct** or **indirect** costs

Indirect Allocation	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>
	<u>Admin</u>	<u>Project 1</u>	<u>Project 2</u>	<u>Grant 1</u>	<u>Grant 2</u>
Direct Costs				\$ 100.00	\$ 100.00
Indirect	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00

Subpart E – Cost Principles

200.414 Indirect Costs

After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefitting cost objectives.

A cost may not be allocated to a Federal award as an **indirect cost** if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a **direct cost**.

Direct cost of minor amounts may be treated as indirect costs (200.413)

Appendix VII to Part 200

Indirect Cost Proposals

States, Local Government and Indian Tribe Indirect Cost Proposals

A. General

1. Indirect costs are those that have been incurred

1. for common or joint purposes.
2. These costs benefit more than one cost objective and
3. cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved

4. Typical examples of indirect costs may include:

- Certain state/local-wide central service costs,
- General administration
- Accounting and Personnel services
- Depreciation on buildings and equipment,
- Costs of operating and maintaining facilities

Appendix VII to Part 200

Indirect Cost Proposals

States, Local Government and Indian Tribe Indirect Cost Proposals

200.57 Indirect cost rate proposal

Indirect cost rate proposal means:

- the documentation prepared by a non-Federal entity to substantiate its request for the establishment of an indirect cost rate
- as described in Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals of this Part.

Subpart E – Cost Principles

Appendix IV - Indirect Costs for Nonprofits

Rate Determination for Nonprofit Organizations

An indirect cost rate may be accomplished through allocation procedures

Simplified Allocation Method

Where an organization's major functions benefit from its indirect costs to approximately the same degree

Multiple Allocation Base Method

Where an organization's indirect costs benefit its major functions in varying degrees

Direct Allocation Method

Joint costs are prorated individually as direct costs across activities

Special Indirect Cost Rates

to take into account factors which substantially affect indirect costs applicable to activities

Subpart E – Cost Principles

200.414 Indirect Costs

De Minimis Rate

(f) ...any non-Federal entity that has never received a negotiated indirect cost rate.... may elect to charge a **de minimis rate of 10%** of Modified Total Direct Costs (MTDC) which may be used indefinitely....

However

...this methodology, once elected, must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate an indirect rate, which the non-Federal entity may apply to do at any time.

If de minimis indirect rate is used:

Administrative Costs – will no longer be allowable

Direct Costs – allocable charges can no longer be reported as direct

MTDC is defined in:

§ 200.68 Modified Total Direct Cost (MTDC)

Subpart E – Cost Principles

200.414 Indirect Costs

§ 200.68 Modified Total Direct Cost (MTDC)

MTDC means:

- all direct salaries and wages,
- applicable fringe benefits,
- materials and supplies,
- services,
- travel, and
- sub-awards and subcontracts up to the first \$25,000 of each sub-award or subcontract

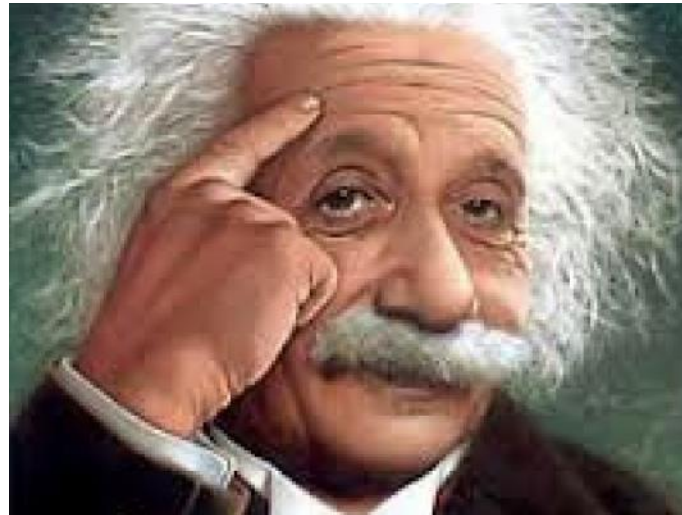
MTDC excludes:

- equipment,
- capital expenditures,
- rental costs,
- tuition remission,
- scholarships and fellowships,
- participant support costs
- the portion of each sub-award and subcontract in excess of \$25,000.

Subpart E – Cost Principles

▶ Reasonable costs:

- A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost



Subpart E – Cost Principles

▶ Reasonable costs:

Ordinary and necessary for operations

Represent market prices for comparable goods/services for the geographic area

Reflect prudent purchasing behavior

No significant deviation from established practices/policies to increase costs

Accorded consistent treatment as either direct or indirect



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Montana SHTSS Focus

- ▶ **Reimbursements – Back up Documentation:**

Provide adequate documentation

Support the accumulation of costs

Indirect costs should be allocated consistently

Montana Operations Manual

(MOM) CH 399 Internal Control Guidebook Page 17 & 62

Internal control systems:

*all transactions and other significant events
should be
clearly documented, and the
documentation should be readily available
for examination at each agency.*

Montana Operations Manual

Documentation of transactions should be:

- Timely
- Complete & Accurate
- Should allow tracing of the transaction
from the source documents
to the financial reports

Montana Operations Manual

Tips for Preparing Back Up Documentation

- ✓ Documentation makes sense & supports the entry
- ✓ Documents have reasonable explanations or clearly state the purpose of the transaction
- ✓ Documentation includes only RELEVANT data
- ✓ Important amounts are circled or highlighted (note: unless scanned and/or faxed)
- ✓ Source of the data is documented or is clearly evident
- ✓ Amounts can be recalculated or verified easily
- ✓ Documentation is legible
- ✓ Copies are readable – highlighted/shaded information is not too dark when copied
- ✓ All relevant amounts in the supporting documentation tie to the reimbursement form
- ✓ Proper signatures should be clearly documented indicating authorization.

Montana Operations Manual

Consider who will be looking at the document in the future:

- Legislative Auditors (LAD)
- Federal Auditors
- Employees doing research
- Management
- Legislators
- Taxpayers
- Other states

Exhibit B – Reimbursement Request

Salaries & Benefits

Timesheets	##
Payroll Reports	\$\$

Operations

- Receipts
- Invoices
- Contractual Agreements

2 CFR Part 225 Cost Principals for State, Local, and Indian tribal governments.

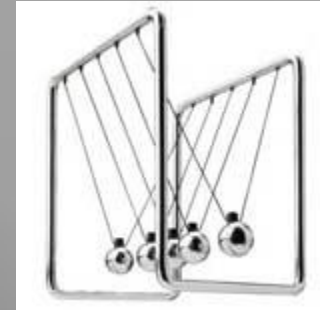
h. Support of salaries and wages. Standards regarding time distribution

Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.



2 CFR Part 225 Cost Principals for State, Local, and Indian tribal governments.

Employees who work on a single cost activity.



Employees who work on multiple cost activities



2 CFR Part 225 Cost Principals for State, Local, and Indian tribal governments.

(3) Where employees are expected to work solely on a single Federal award or cost objective:

- Charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification.
- These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives:

- a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation



200.430 Compensation – Personal Services

(a) General.

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. (i.e. Fringe Benefits)

123 - John R. Doe				Pay Period 06/02/06 to 06/16/06		Required Deductions	
Earnings				Federal Income Tax	00.00	00.00	
Hours	Rate	This Period	YTD	FICA - Medicare	06.08	12.16	
50	9.00	450.00	900.00	WI State Income Tax	00.00	00.00	
Gross Pay		450.00	900.00	FICA - Social Security	25.92	51.84	
				Other Deductions			
				Health Insurance	00.00	00.00	
				401k	00.00	00.00	
				Parking	00.00	00.00	
				NET PAY	\$418.00	\$836.00	
Your Employer 1234 Some Street Milwaukee, WI ZIPCODE				Check Number: XXXXXX Pay Date: 06/19/06			
PAY ***Four hundred eighteen dollars and 00 cents*****\$418.00							
To the Order of John R. Doe 555 Some Street Milwaukee, WI ZIP CODE							

200.430 Compensation – Personal Services

(b) Reasonableness

Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that:

it is consistent with that paid for similar work in other activities of the non-Federal entity.

In cases where the kinds of employees required for Federal awards are not found in the other activities of the non-Federal entity

it is comparable to that paid for similar work in the labor market

200.430 Compensation – Personal Services

Reasonable for the services rendered and
Conforms to the established written policy of the non-
Federal entity

Consistently applied to both Federal and non-Federal
activities;

- Is determined and supported as provided in paragraph (i) of this section, **Standards for Documentation of Personnel Expenses**



200.430 Compensation – Personal Services

(i) **Standards for Documentation of Personnel Expenses**

(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated

(ii) Be incorporated into the official records of the non-Federal entity

(iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity

(iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis

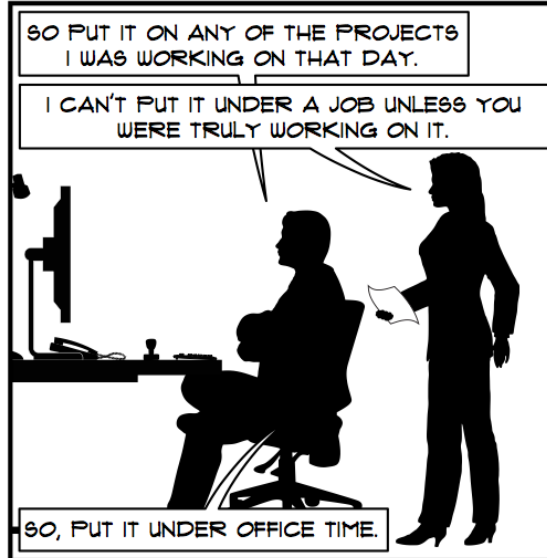
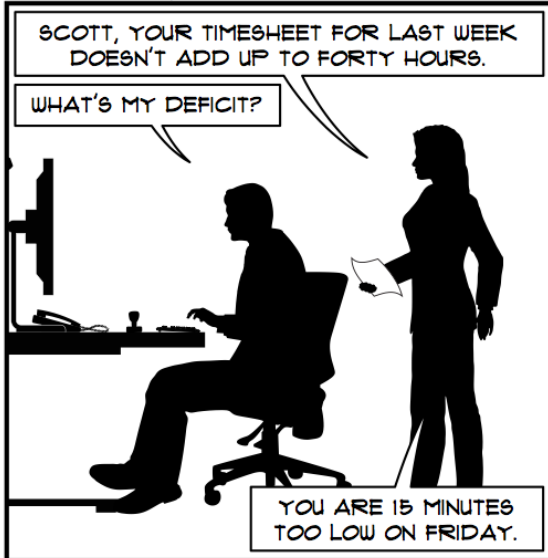
(v) Comply with the established accounting policies and practices of the non-Federal entity

WEEK THREE							Hourly	
							<u>Rate</u>	<u>Benefits</u>
	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>TOTAL</u>	\$ 25.00	25%
Administrative	2		2			4	\$ 100.00	\$ 25.00
Project 1					2	2	\$ 50.00	\$ 12.50
Project 2					2	2	\$ 50.00	\$ 12.50
Grant 1	4	3	4	3	2	16	\$ 400.00	\$ 100.00
Grant 2	4	3	4	3	2	16	\$ 400.00	\$ 100.00
	8	8	8	8	8	40	\$1,000.00	\$ 250.00

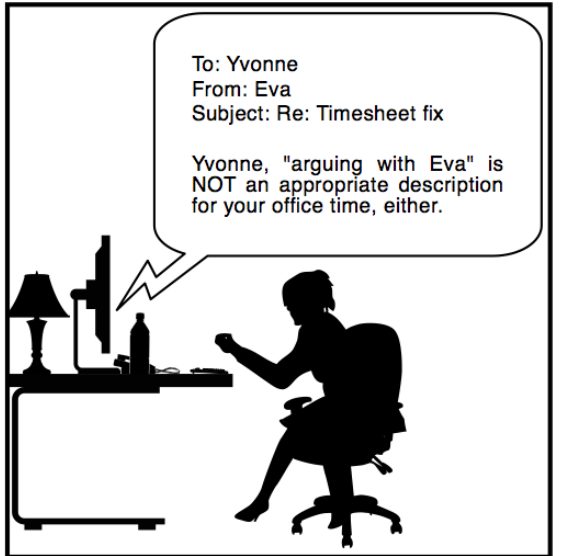
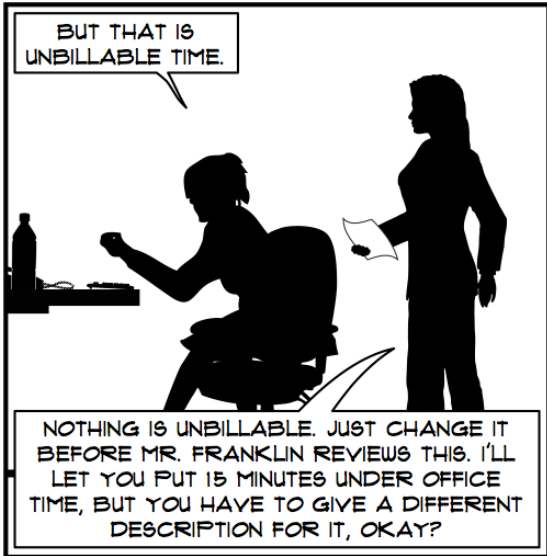
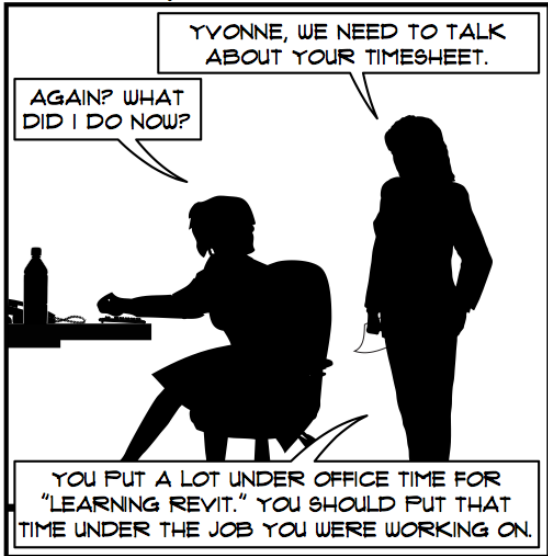
WEEK FOUR							Hourly		
							<u>Rate</u>	<u>Benefits</u>	
	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>TOTAL</u>	\$ 25.00	25%	
Administrative	1		2			3	\$ 75.00	\$ 18.75	
Project 1	4					2	6	\$ 150.00	\$ 37.50
Project 2	4	3				2	9	\$ 225.00	\$ 56.25
Grant 1	4		4	3	2	13	\$ 325.00	\$ 81.25	
Grant 2			4	3	2	9	\$ 225.00	\$ 56.25	
	8	8	8	8	8	40	\$1,000.00	\$ 250.00	

MONTHLY TOTAL							Hourly	
							<u>Rate</u>	<u>Benefits</u>
	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>TOTAL</u>	\$ 25.00	25%
Administrative	1	5	2	6	0	14	\$ 350.00	\$ 87.50
Project 1	4	0	0	4	8	16	\$ 400.00	\$ 100.00
Project 2	7	3	0	0	8	18	\$ 450.00	\$ 112.50
Grant 1	12	14	15	13	8	62	\$1,550.00	\$ 387.50
Grant 2	8	10	15	9	8	50	\$1,250.00	\$ 312.50
	32	32	32	32	32	160	\$4,000.00	\$1,000.00

ARCHITEXTS



ARCHITEXTS



200.431 Compensation – Fringe Benefits

(a) Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages.

- Costs of fringe benefits are **allowable** provided that:
 - benefits are reasonable and
 - are required by law
 - non-Federal entity-employee agreement, or
 - an established (employer) policy

Fringe Benefits Calculation			
TRS (Teacher Retirement System)	Benefits-Eligible Employees Only – Multiply monthly salary & state longevity by 6.8%		
ORP (Optional Retirement Program)	Benefits-Eligible Employees Only – Multiply monthly salary & state longevity by 6.6%		
1% Payroll Charge (ERS)	Benefits-Eligible Employees Only – Multiply monthly salary (only) by 1%		
FICA/Medicare	Multiply monthly salary & state longevity by 7.65%		
Benefit Surcharge	Multiply monthly salary & state longevity by 1.25%		
TOTAL FRINGE BENEFITS	Add each applicable benefit to get the monthly total		

ORP Grandfathered ORP recipients (in ORP before 9/1/95) receive 8.5%.

Benefits Surcharge Includes Workers' Comp and Unemployment and is used for vacation payouts.

Health Insurance Cost							
Full-Time Employees (75% - 100% FTE)				Part-Time (50% - 74% FTE) & Graduate Student Employees			
<i>Note: These premiums are paid monthly and include a basic term life rate of \$2.22.</i>				<i>Note: These premiums are paid monthly and include a basic term life rate of \$2.22.</i>			
HealthSelect of Texas				HealthSelect of Texas			
Coverage	Premium	University Pays	Employee Pays	Coverage	Premium	University Pays	Employee Pays
Member Only	\$537.66	\$537.66	\$0.00	Member Only	\$537.66	\$268.83	\$268.83
Member & Spouse	\$1,153.42	\$845.54	\$307.88	Member & Spouse	\$1,153.42	\$422.77	\$730.65
Member & Children	\$949.94	\$743.80	\$206.14	Member & Children	\$949.94	\$371.90	\$578.04
Family	\$1,565.70	\$1,051.68	\$514.02	Family	\$1,565.70	\$525.84	\$1,039.86
Community First/San Antonio				Community First/San Antonio			
Coverage	Premium	University Pays	Employee Pays	Coverage	Premium	University Pays	Employee Pays
Member Only	\$471.78	\$471.78	\$0.00	Member Only	\$471.78	\$235.89	\$235.89
Member & Spouse	\$1,011.78	\$741.78	\$270.00	Member & Spouse	\$1,011.78	\$370.89	\$640.89
Member & Children	\$833.34	\$652.56	\$180.78	Member & Children	\$833.34	\$326.28	\$507.06
Family	\$1,373.34	\$922.56	\$450.78	Family	\$1,373.34	\$461.28	\$912.06
Scott & White Health Plan				Scott & White Health Plan			
Coverage	Premium	University Pays	Employee Pays	Coverage	Premium	University Pays	Employee Pays
Member Only	\$541.70	\$541.70	\$0.00	Member Only	\$541.70	\$270.85	\$270.85
Member & Spouse	\$1,162.10	\$851.90	\$310.20	Member & Spouse	\$1,162.10	\$425.95	\$736.15
Member & Children	\$957.10	\$749.40	\$207.70	Member & Children	\$957.10	\$374.70	\$582.40
Family	\$1,577.50	\$1,059.60	\$517.90	Family	\$1,577.50	\$529.80	\$1,047.70

200.431 Compensation – Fringe Benefits

(b) **Leave.** The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for:

- annual leave
- family-related leave
- sick leave
- holidays
- court leave
- military leave
- administrative leave
- and other similar benefits

200.431 Compensation – Fringe Benefits

Allowable if all of the following criteria are met:

- (1) They are provided under **established written leave policies**
- (2) The costs are **equitably allocated to all related activities, including Federal awards**
- (3) The **accounting basis (cash or accrual)** selected for costing each type of leave is **consistently followed** by the non-Federal entity or specified grouping of employees.

200.431 Compensation – Fringe Benefits

(c) The cost of fringe benefits in the form of employer contributions or expenses for:

- (1) social security
- (2) employee life
- (3) health
- (4) unemployment
- (5) worker's compensation insurance
- (6) pension plan costs and
- (7) other similar benefits

Are **allowable** provided such benefits are granted under established written policies

200.431 Compensation – Fringe Benefits

(c) The cost of fringe benefits:

Fringe Benefits, must be allocated to Federal awards and all other activities:

- in a manner consistent with the pattern of benefits attributable to the ...employees whose salaries and wages are chargeable to Federal awards
- charged as direct or indirect costs in accordance with the non-Federal entity's accounting practices.

200.431 Compensation – Fringe Benefits

(d) Fringe benefits may be assigned to cost objectives by:

- identifying specific benefits to specific individual employees or
- by allocating on the basis of entity-wide salaries and wages of the employees receiving the benefits.

(e) Insurance

- Unemployment Insurance & Workers' Compensation

(f) Automobiles

- That portion of automobile costs furnished by the entity that relates to personal use by employees (including transportation to and from work) is unallowable as fringe benefit or indirect costs

200.431 Compensation – Fringe Benefits

(g) Pension Plan Costs:

- Pension plan costs which are incurred in accordance with the established policies of the non-Federal entity are allowable
- 2 CFR 200.431(g) provides extensive guidance regarding Pension Plans

(h) Post-Retirement Health Plans (PRHP)

- (the) costs of health insurance or health services not included in a pension plan
- costs may be computed using:
 - a pay-as-you-go method or
 - an acceptable actuarial cost methodin accordance with established written policies of the non-Federal entity.

Subpart E – Cost Principles

200.420 – 200.475

▶ Selected items of cost:

- 55 specific items are included
- Apply to both direct and indirect costs
- Failure to mention a particular item of cost does not imply that it is either allowable or unallowable (apply general principles of allowability)

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

- (To) establish the allowability of certain items involved in determining cost
- Allowability in each case should be based on the treatment provided for similar or related items of cost
- Criteria outlined in § 200.403 Factors affecting allowability of costs must be applied in determining allowability
 - Necessary and reasonable
 - Conform to...these principles
 - Consistent with policies and procedures
 - Adequately documented

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

- ▶ 200.422 Advisory councils.
- ▶ 200.423 Alcoholic beverages.
- ▶ 200.424 Alumni/ae activities.
- ▶ 200.425 Audit services.
- ▶ 200.426 Bad debts.
- ▶ 200.427 Bonding costs.
- ▶ 200.428 Collections of improper payments.
- ▶ 200.429 Commencement and convocation costs.
- ▶ 200.430 Compensation—personal services.
- ▶ 200.431 Compensation—fringe benefits.
- ▶ 200.432 Conferences.
- ▶ 200.433 Contingency provisions.
- ▶ 200.434 Contributions and donations
- ▶ 200.435 Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements
- ▶ 200.436 Depreciation.
- ▶ 200.437 Employee health and welfare costs.
- ▶ 200.438 Entertainment costs.
- ▶ 200.439 Equipment and other capital expenditures.
- ▶ 200.440 Exchange rates.
- ▶ 200.441 Fines, penalties, damages and other settlements.
- ▶ 200.442 Fund raising and investment management costs.
- ▶ 200.443 Gains and losses on disposition of depreciable assets.
- ▶ 200.444 General costs of government.
- ▶ 200.445 Goods or services for personal use.
- ▶ 200.446 Idle facilities and idle capacity.
- ▶ 200.447 Insurance and indemnification.
- ▶ 200.448 Intellectual property.
- ▶ 200.449 Interest.

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

- ▶ 200.450 Lobbying.
- ▶ 200.451 Losses on other awards or contracts.
- ▶ 200.452 Maintenance and repair costs.
- ▶ 200.453 Materials and supplies costs, including costs of computing devices.
- ▶ 200.454 Memberships, subscriptions, and professional activity costs.
- ▶ 200.455 Organization costs.
- ▶ 200.456 Participant support costs.
- ▶ 200.457 Plant and security costs.
- ▶ 200.458 Pre-award costs.
- ▶ 200.459 Professional service costs.
- ▶ 200.460 Proposal costs.
- ▶ 200.461 Publication and printing costs.
- ▶ 200.462 Rearrangement and reconversion costs.
- ▶ 200.463 Recruiting costs.
- ▶ 200.464 Relocation costs of employees.
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- ▶ 200.468 Specialized service facilities.
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- ▶ 200.470 Taxes (including Value Added Tax).
- ▶ 200.471 Termination costs.
- ▶ 200.472 Training and education costs.
- ▶ 200.473 Transportation costs.
- ▶ 200.474 Travel costs.
- ▶ 200.475 Trustees

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

Allowable Costs

200.430 Compensation—personal services

200.431 Compensation—fringe benefits

200.437 Employee health and welfare costs

- (a) Costs incurred in accordance with the non-Federal entity's documented policies for the improvement of working conditions, employer-employee relations, employee health, and employee performance are allowable.
- (b) Such costs will be equitably apportioned to all activities of the non-Federal entity.

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

Allowable Costs

200.432 Conferences

Allowable conference costs paid by the non-Federal entity as a sponsor or host of the conference may include rental of facilities, speakers' fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences.

200.439 Equipment and other capital expenditures

(1) Capital expenditures for general purpose equipment, buildings, and land are **unallowable** as direct charges

(2) Capital expenditures for **special purpose equipment** are **allowable as direct costs**, provided that items with a unit cost of **\$5,000 or more** have the **prior written approval** of the Federal awarding agency or pass-through entity.

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

200.444 General costs of government

(a) For states, local governments, and Indian Tribes, **the general costs of government are unallowable.**

200.452 Maintenance and repair costs

Costs incurred for utilities, insurance, security, necessary maintenance, janitorial services, repair, or upkeep of buildings and equipment (including Federal property unless otherwise provided for) which

**neither add to the permanent value of the property
nor appreciably prolong its intended life**

but keep it in an efficient operating condition, are allowable

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

200.453 Materials and supplies costs, including costs of computing devices

- (a) Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are **allowable**.
- (b) **Purchased** materials and supplies must be charged at their actual prices, net of applicable credits.

Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied

Incoming transportation charges are a proper part of materials and supplies costs.

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

200.453 Materials and supplies costs, including costs of computing devices

(c) Materials and supplies used for the performance of a Federal award may be charged as **direct costs**.

In the specific case of computing devices
charging as direct costs is allowable
for devices that are essential and allocable, but
not solely dedicated, to the performance of a Federal award.

(d) Where federally–donated or furnished materials are used in performing the Federal award, such materials will be used without charge

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

200.456 Participant support costs

Participant support costs as defined in § 200.75 Participant support costs are allowable with the prior approval of the Federal awarding agency.

§ 200.75 Participant support costs.

Participant support costs means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

200.459 Professional service costs

Costs of professional and consultant services

- rendered by persons who are members of a particular profession or possess a special skill, and
- who are not officers or employees of the non–Federal entity,

are **allowable**, when reasonable in relation to the services rendered and

....legal and related services are limited under § 200.435 Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements.

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

200.461 Publication and printing costs

Publication costs for electronic and print media, including distribution, promotion, and general handling are **allowable**.

If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the non-Federal entity.

200.472 Training and education costs

The cost of training and education provided for employee development is **allowable**.

200.473 Transportation costs

Costs incurred for freight, express, cartage, postage, and other transportation services relating either to goods purchased, in process, or delivered, are **allowable**.

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

200.474 Travel costs

Travel costs are the expenses for:

transportation

lodging

subsistence, and

related items

incurred by employees who are in travel status on official business of the non-Federal entity.

Subpart E – Cost Principles

200.420– Selected Items of Cost – 200.475

200.474 Travel costs

Such costs may be charged:

- on an actual cost basis
 - on a per diem or mileage basis
in lieu of actual costs incurred
 - on a combination of the two
- provided the method used is applied to an entire trip and not to selected days of the trip, and
 - results in charges consistent with those normally allowed in like circumstances in the entity's non-federally funded activities and
 - in accordance with non-Federal entity's written travel reimbursement policies.

Recurring Themes



- ▶ Necessary
- ▶ Reasonable
- ▶ Consistency
- ▶ Support
- ▶ Documentation



Links To Useful Information

Montana Operations Manual
(MOM)

<http://mom.mt.gov>

Montana Operations Manual (MOM)

[About DOA](#) | [Services](#) | [Resources](#) | [Department Websites](#) | [Public Notices/Meetings](#) | [Home](#)

MOM

Montana Operations Manual (MOM)

Welcome to the Montana Operations Manual.

The Montana Operations Manual, or MOM, contains policies, procedures, and standards applicable to the internal operations of Montana state government.

[Click Here to Access the Montana Operations Manual](#)

[Instructions for direct linking to the MOM and specific MOM documents](#)

[MOM Document Owners – Login Here](#)

Contact us at MOM@mt.gov, (406) 444-2446

Links to useful Information

Montana Department of Transportation Website

<http://www.mdt.mt.gov/>

State Highway Traffic Safety Section

<http://www.mdt.mt.gov/safety/safetyprg.shtml>

MDT Grants and Funding

<http://www.mdt.mt.gov/safety/grants.shtml>

http://www.mdt.mt.gov/safety/safetyprg.shtml



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TRAVELER INFO

PUBLIC INVOLVEMENT

DOING BUSINESS

PUBLICATIONS

Traffic Safety Programs

Overview

Traffic crashes happen daily in Montana, causing human injuries, deaths, and property losses.

Did You Know?

- Montana has one of the highest alcohol-related fatality rates in the nation per vehicle mile traveled.



The State Highway Traffic Safety Section is working to reduce these losses through a series of programs designed to assist in the development of counter-measures for known problem areas.

The information on these pages is organized by program. If you have questions about a specific program, please call or email the contact listed at the bottom of each program details page.

Maximizing Resources Through Collaboration

[Comprehensive Hwy Safety Plan](#)

The CHSP is a statewide plan to reduce fatalities/injuries from highway crashes. Involves multiple stakeholders. Data, specific strategies, and contact information provided.

[Highway Safety Plan](#)

MDT's State Highway Traffic Safety Section implements many of the CHSP goals and strategies.

- Montana's seat belt usage has grown steadily over the past few years. However, seatbelt use on our reservations is still very low.
- Inattentiveness, carelessness, and driving speed accounted for over 50% of the crashes in the past 10 years.
- Incapacitating injuries have decreased over 33% during the past 10 years.
- The percentage of crashes involving young drivers has not changed significantly during the past 19 years.
- Elderly drivers have experienced increases during this same period.
- Motorcycle traffic crashes are up and affecting older riders more than any other group.

Source for data:
[Traffic Safety Problem](#)

Highway Safety Programs

[Impaired Driving](#)

[Occupant Protection](#)

[Traffic Enforcement](#)

[Speeding](#)

[Distracted Driving](#)

[Traffic Records](#)

[Emergency Medical Services](#)

[Young Drivers](#)

[Motorcycle Safety](#)

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[Crash Data](#)

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[Resource Sharing](#)

[Traffic Safety Publications](#)

[Websites of Interest](#)

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TRAVELER INFO

PUBLIC INVOLVEMENT

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Grants and Funding

Funding for Traffic Safety Projects

The Montana [State Highway Traffic Safety Section](#) administers federal grant monies for safety programs aimed at reducing deaths, injuries, and property losses resulting from traffic crashes.

Some of these grants cover administration costs such as increased overtime patrols for law enforcement agencies and the cost to purchase new law enforcement equipment. Others cover the production and delivery of educational programs.

Funding is limited and awarded through a competitive application process. [Additional funding options](#) are listed to assist those seeking funding for a project or program.



Highway Safety Programs

[Impaired Driving](#)

[Occupant Protection](#)

[Traffic Enforcement](#)

[Speeding](#)

[Distracted Driving](#)

[Traffic Records](#)

[Emergency Medical Services](#)

Links to useful Information

NHTSA Highway Safety Grants Management Resources

<http://www.nhtsa.gov/About+NHTSA/Programs+&+Grants/Resources+Guide>

NHTSA Highway Safety Grants Management Manual Contents

http://www.nhtsa.gov/nhtsa/whatsup/TEA21/GrantMan/HTML/00_Manl_Contents1_01.html

- [About NHTSA Home](#) →
- [About the Administrator](#) →
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- [Programs & Grants](#) →**
- [- Resources Guide](#) →**
- [TEA21 Grants](#) →
- [Traffic Techs](#) →

Resources Guide



This site provides information to assist State and Federal professionals to manage highway safety grant programs administered by the National Highway Traffic Safety Administration. Included are:

- United State Codes, Code of Federal Regulations, and Office of Management and Budget Circulars
- NHTSA Grant Funding Guidance
- Section 402-grant guidance
- Glossary
- Questions and answers on selected traffic safety topics



Resources and NHTSA Guidance

- » [Highway Safety Funding Guidance](#)
- » [MOE Guidance](#)
- » [Uniform Guidelines for State Highway Safety Programs](#)
- » [Titles 23 and 49 U.S.C.](#)
- » [Advertising Space Guidance](#)
- » [Buy America Act Guidance](#)
- » [Buy America Act - U.S. Code](#)
- » [Buy America Act Q&A](#)
- » [Glossary of Key Terms and Definitions](#)

Federal Regulations For All Grant Programs

▼ Federal Regulations

- » [23 CFR Part 1200](#)

Highway Safety Grant Funding Guidance

Revised February 2014

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Section 405(c) - State Traffic Safety Information System Improvement Grants

Section 405(d) - Impaired Driving Countermeasure Grants - High, Mid, and Low Range

Section 405(d) - Impaired Driving Countermeasure Alcohol Ignition Interlock Laws

Section 405(e) - Distracted Driving Grants

Section 405(f) - Motorcyclist Safety Grants

Section 405(g) - State Graduated Driver Licensing Grants

Section 405 - Grant Programs Transfers

Section 154 - Open Container Requirements

Section 164 - Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence

Section 402 - State and Community Highway Safety Grants (23 U.S.C. 402)

Section 402 funds are used to support countermeasure strategies and projects identified in the States' Highway Safety Plan (HSP). This includes resources to initiate new projects and catalyze or accelerate existing projects to address major safety issues with well-planned strategies, and leverage additional State and local investment in highway safety. States must have an approved HSP to receive 402 grant funds. To review eligibility determination, qualification criteria, and use of grant funds reference: [23 CFR Part 1200](#).

Section 405(b) - Occupant Protection Grants

Section 405(b) encourages States to adopt and implement effective occupant protection programs to reduce highway deaths and injuries resulting from individuals riding unrestrained or improperly restrained in motor vehicles. To review eligibility determination, qualification criteria, and use of grant funds reference: [23 CFR Part 1200.21](#).

Section 405(c) - State Traffic Safety Information System Improvement Grants

Section 405(c) continues, with some changes, the State traffic safety information system improvements grant program authorized under SAFETEA-LU. The purpose of the new grant program is to support State efforts to improve the data systems needed to help identify priorities for Federal, State, and local highway safety programs, to link intrastate data systems, and to improve the compatibility and interoperability of these data systems with national data systems, and the data systems of other States for highway safety purposes such as enhancing the ability to analyze national trends in crash occurrences, rates, outcomes, and circumstances. To review eligibility determination, qualification criteria, and use of grant funds, reference: [23 CFR Part 1200.22](#).

Section 405(d) - Impaired Driving Countermeasure Grants - High, Mid, and Low Range

Section 405(d) encourages States to adopt and implement effective programs to reduce traffic safety problems that result from individuals driving motor vehicles while under the influence of alcohol, drugs, or the combination of alcohol and drugs or that enacts alcohol ignition interlock laws. To review eligibility determination, qualification criteria, and use of grant funds, reference: [23 CFR Part 1200.23](#).

Section 405(d) - Impaired Driving Countermeasure Alcohol Ignition Interlock Laws

Section 405(d) encourages States to adopt and enforce mandatory laws to require installation of alcohol ignition interlocks on vehicles operated by all individuals convicted of driving under the influence of alcohol or of driving while intoxicated. To review eligibility determination, qualification criteria, and use of grant funds, reference: [23 CFR Part 1200.23\(5\)](#).

Section 405(e) - Distracted Driving Grants

Section 405(e) authorizes incentive grants to States that enact and enforce laws to prohibit distracted driving. This includes texting while driving and youth cell phone use while driving. To review eligibility determination, qualification criteria, and use of grant funds, reference: [23 CFR Part 1200.24](#).

Budget Circulars

- NHTSA Grant Funding Guidance
- Section 402-grant guidance
- Glossary
- Questions and answers on selected traffic safety topics

For user convenience, referenced Federal regulations are linked to source documents.

Topical Searches
Certification and Assurances
Equipment
Highway Safety Plan Annual Report
Highway Safety Plan Closeout
Highway Safety Plan Content
Indirect Costs
List of Projects
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Maintenance of Effort
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Federal Regulations

For All Grant Programs

▼ Federal Regulations

- » [23 CFR Part 1200](#)
- » [2 CFR 225 Federal Register Notice](#)
- » [2 CFR 200 \(Uniform administrative requirements, cost principles and audit requirements \)](#)
- » [2 CFR 200 Questions & Answers](#)
- » [49 CFR Part 18 \(Common Rule\)](#)
- » [OMB Circular A-133 \(Audits\) - See Subpart D.400 \(d\)](#)
- » [Developing Cost Allocation Plans](#)

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SAFETEA-LU Incentive Grants

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- » [Federal Register Notice](#)
- » [Federal Register Notice - Distracted Driving \(Aug.2012\)](#)
- » [Federal Register Notice - Distracted Driving \(Oct. 2012\)](#)
- » [Appendix A to Part 1200](#)
- » [Maintenance of Effort](#)
- » [Appendix D to Part 1200 - Fillable form](#)
- » [Legislation S402 & S405](#)
- » [Title 23 USC, Chapter 4 - May 2013](#)
- » [General Q&As](#)

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Contact Information

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