



February 15, 2022

**Fiscal Administrative Procedure Manual Transmittal Letter (FAPMTL) No. 460**

To: Fiscal Administrative Procedure Manual Holders

From: Matt Damschroder, Director

Subject: Federal Grant Cost Principles

The Ohio Department of Job and Family Services (ODJFS) is issuing Administrative Code rule 5101:9-1-18 "Federal grant cost principles for county family services agency (CFSA) and Workforce Innovation and Opportunity Act (WIOA) local areas." This new rule is intended to assist agencies in determining what are allowable and/ or allocated costs to a federal grant.

Please direct inquiries to your ODJFS Fiscal Supervisor or the CFIS Helpdesk [CFIS\\_HELP\\_DESK@jfs.ohio.gov](mailto:CFIS_HELP_DESK@jfs.ohio.gov).

**Instructions:**

Location	Remove	Insert
Chapter 1	N/A	5101:9-1-18 (effective 2/24/2022)

5101:9-1-18

**Federal grant cost principles for county family services agency (CFSA) and Workforce Innovation and Opportunity Act (WIOA) local areas.**

(A) Cost principles, as outlined in 2 C.F.R. 200 Subpart E, communicate the general criteria to determine when a cost is allowable to claim as a direct or an allocable indirect cost to a federal grant. The following basic criteria assists in determining allowable costs. For more detailed information go to <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E>.

(1) Reasonable:

- (a) The cost amount does not exceed that which would be incurred by a prudent person under similar circumstances; and
- (b) The cost is comparable to prices for goods or services within the geographic area.

(2) Necessary:

- (a) The cost is necessary for the purposes and performance of the federal grant; and
- (b) The cost is generally recognized as ordinary and necessary for the operation of the CFSA or WIOA local area and does not significantly deviate from the locally established cost practices and policies.

(3) Composition and consistent treatment of costs:

- (a) A cost may not be charged to a federal grant 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.
- (b) Direct costs are costs that are charged directly to a federal grant.
- (c) Indirect costs are costs which accumulate and allocate to open federal grants that are not in liquidation. Indirect costs are also known as cost pool costs, operating costs, and cost objectives.
- (d) Applicable credits.

(4) Allocable:

- (a) Allocation is the process of assigning accumulated indirect costs to federal grants.

(b) An indirect cost is allocable to a federal grant in accordance with the relative benefit received based on the allocation methodology.

(B) According to the CFSA and WIOA local area subgrant agreements, as outlined in rules 5101:9-6-02 and 5101:9-31-01 of the Administrative Code, each CFSA and WIOA local area will ensure costs are claimed for the intended purposes of federal grants.

(C) Each CFSA and WIOA local area will maintain written procedures for determining the allowability of costs.

Effective: 2/24/2022

CERTIFIED ELECTRONICALLY

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Certification

02/14/2022

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Date

Promulgated Under:	111.15
Statutory Authority:	5101.02
Rule Amplifies:	5101.02