

## Social Security Administration

## § 435.26

date at least 10 days before the expiration date specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

(i) The terms and conditions of award prohibit the extension.

(ii) The extension requires additional Federal funds.

(iii) The extension involves any change in the approved objectives or scope of the project.

(3) Carry forward unobligated balances to subsequent funding periods.

(4) For awards that support research, unless SSA provides otherwise in the award or in the SSA regulations, the prior approval requirements described in paragraph (e) of this section are automatically waived (*i.e.*, recipients need not obtain such prior approvals) unless one of the conditions included in paragraph (e)(2) applies.

(f) SSA may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for awards in which the Federal share of the project exceeds \$100,000 and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by SSA. No transfers are permitted that would cause any Federal appropriation or part thereof to be used for purposes other than those consistent with the original intent of the appropriation.

(g) All other changes to nonconstruction budgets, except for the changes described in paragraph (j) of this section, do not require prior approval.

(h) For construction awards, recipients must request prior written approval promptly from SSA for budget revisions whenever paragraph (h)(1), (2) or (3) of this section apply.

(1) The revision results from changes in the scope or the objective of the project or program.

(2) The need arises for additional Federal funds to complete the project.

(3) A revision is desired which involves specific costs for which prior written approval requirements may be imposed consistent with applicable OMB cost principles listed in § 435.27.

(i) No other prior approval requirements for specific items will be im-

posed unless a deviation has been approved by OMB.

(j) When SSA makes an award that provides support for both construction and nonconstruction work, SSA may require the recipient to request prior approval before making any fund or budget transfers between the two types of work supported.

(k) For both construction and nonconstruction awards, recipients must notify SSA in writing promptly whenever the amount of Federal authorized funds is expected to exceed the needs of the recipient for the project period by more than \$5000 or five percent of the Federal award, whichever is greater. This notification is not required if an application for additional funding is submitted for a continuation award.

(l) When requesting approval for budget revisions, recipients must use the budget forms that were used in the application unless SSA indicates a letter of request suffices.

(m) Within 30 calendar days from the date of receipt of the request for budget revisions, SSA will review the request and notify the recipient whether the budget revisions have been approved. If the revision is still under consideration at the end of 30 calendar days, SSA will inform the recipient in writing of the date when the recipient may expect the decision.

### § 435.26 Non-Federal audits.

(a) Recipients and subrecipients that are institutions of higher education or other non-profit organizations (including hospitals) are subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

(b) State and local governments are subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

(c) For-profit hospitals not covered by the audit provisions of revised OMB Circular A-133 are subject to the audit requirements of SSA.

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(d) Commercial organizations are subject to the audit requirements of SSA or the prime recipient as incorporated into the award document.

### § 435.27 Allowable costs.

For each kind of recipient, there is a set of Federal principles for determining allowable costs. Allowability of costs will be determined in accordance with the cost principles applicable to the entity incurring the costs. Thus:

(a) Allowability of costs incurred by State, local or federally-recognized Indian tribal governments is determined in accordance with the provisions of OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments."

(b) Allowability of costs incurred by non-profit organizations is determined in accordance with the provisions of OMB Circular A-122, "Cost Principles for Non-Profit Organizations."

(c) Allowability of costs incurred by institutions of higher education is determined in accordance with the provisions of OMB Circular A-21, "Cost Principles for Educational Institutions."

(d) Allowability of costs incurred by hospitals is determined in accordance with the provisions of Appendix E of 45 CFR part 74, "Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts with Hospitals."

(e) Allowability of costs incurred by commercial organizations and those non-profit organizations listed in Attachment C to Circular A-122 is determined in accordance with the provisions of the Federal Acquisition Regulation (FAR) at 48 CFR part 31.

### § 435.28 Period of availability of funds.

Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by SSA.

## PROPERTY STANDARDS

### § 435.30 Purpose of property standards.

Sections 435.31 through 435.37 set forth uniform standards governing management and disposition of prop-

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erty furnished by the Federal Government whose cost was charged to a project supported by a Federal award. Recipients must observe these standards under awards and SSA may not impose additional requirements, unless specifically required by Federal statute. The recipient may use its own property management standards and procedures provided it observes the provisions of §§ 435.31 through 435.37.

### § 435.31 Insurance coverage.

Recipients must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired with Federal funds as provided to property owned by the recipient. Federally-owned property need not be insured unless required by the terms and conditions of the award.

### § 435.32 Real property.

SSA will prescribe requirements for recipients concerning the use and disposition of real property acquired in whole or in part under awards. Unless otherwise provided by statute, such requirements, at a minimum, will contain the following.

(a) *Title.* Title to real property will vest in the recipient subject to the condition that the recipient will use the real property for the authorized purpose of the project as long as it is needed and will not encumber the property without approval of SSA.

(b) *Use in other projects.* The recipient must obtain written approval by SSA for the use of real property in other federally-sponsored projects when the recipient determines that the property is no longer needed for the purpose of the original project. Use in other projects is limited to those under federally-sponsored projects (*i.e.*, awards) or programs that have purposes consistent with those authorized for support by SSA.

(c) *Disposition.* When the real property is no longer needed as provided in paragraphs (a) and (b) of this section, the recipient must request disposition instructions from SSA or its successor Federal awarding agency. SSA will observe one or more of the following disposition instructions:

(1) The recipient may be permitted to retain title without further obligation