

Agricultural Research Service, USDA

§ 550.27

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 shall be subject to the audit requirements of the REE agencies.

(d) Commercial organizations shall be subject to the audit requirements of the REE Agency or the prime recipient as incorporated into the award document.

§ 550.25 Allowable costs.

For each kind of Cooperator, there is a set of Federal principles for determining allowable costs. Allowability of costs shall be determined in accordance with the cost principles applicable to the entity incurring the costs. Thus, 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" codified at 2 CFR part 225. The 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" codified at 2 CFR part 230. The 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" codified at 2 CFR 220. The allowability of costs incurred by hospitals is determined in accordance with the provisions of subpart E of 45 CFR part 74. The allowability of costs incurred by commercial organizations and those non-profit organizations listed in appendix C to Circular A-122 (2 CFR part 230) is determined in accordance with the contract cost principles and procedures of the Federal Acquisition Regulation (FAR) at 48 CFR part 31.

PROGRAM MANAGEMENT

§ 550.26 Monitoring program performance.

(a) Cooperators are responsible for managing the day-to-day operations of REE nonassistance awards using their established controls and policies, as long as they are consistent with REE requirements. However, in order to fulfill their role in regard to the stewardship of Federal funds, REE Agencies monitor their agreements to identify potential problems and areas where technical assistance might be necessary. This active monitoring is accomplished through review of reports and correspondence from the cooperator, audit reports, site visits, and other information available to the REE Agency. It is the responsibility of the Cooperator to ensure that the project is being performed in compliance with the terms and conditions of the award.

(b) Monitoring of a project or activity will continue for as long as the REE Agency retains a financial interest in the project or activity. REE agencies reserve the right to monitor a project after it has been administratively closed out and no longer providing active support in order to resolve issues of accountability and other administrative requirements. Additional requirements regarding reporting and program performance can be found in §§ 550.51 through 550.55 of this part.

(c) The REE Agency reserves the right to perform site visits at Cooperator locations. Access to project or program records shall be provided in accordance with the provisions of § 550.55.

§ 550.27 Prior approvals.

(a) The budget is the financial expression of the project or program as approved during the award process. REE agencies require that all Federal costs be itemized on the approved budget. The budget shall be related to performance for program evaluation purposes.

(b) Cooperators are required to report deviations from budget and program plans, and request prior approvals for budget and program plan revisions.