OMB Facts

General Info on OMB to be included with each OMB Fact Sheet for A-122, A-133, and A-110

OMB 101

What is OMB? Office of Management and Budget is the largest division of the Executive Branch of our federal government. OMB oversees the federal budget and administers federal financial systems including procurement, grants management, and financial polices and procedures. Learn more at www.omb.gov

Why is OMB Important to me? Nonprofit organizations that receive a federal grant award or enter into a cooperative agreement to administer a federally-funded program must adhere to broad fiscal regulations imposed by OMB. These regulations are detailed in Circular A-110: *Uniform Administrative Requirements for Grants;* Circular A-122: *Cost Principals for Nonprofit Organizations*; and Circular A-133: *Audits of States, Local Governments, and Non-Profit Organizations*. Non-compliance can lead to penalties, fines, and/or defunding.

Do I need to read the OMB Circulars? Yes. Read them at least once; then reference the circulars as needed. While OMB Facts is a reliable summary of information contained in the circulars, it is not a substitute.

Key Provisions of OMB Circular A-122

OMB Circular A-122 *Cost Principals for Nonprofit Organizations* provides guidance on allowed and unallowed uses of federal funds by nonprofit grantees. Supplement B covers 52 cost categories in detail. These cost principals are strictly enforced by the federal government and nonprofit organizations should become familiar with Circular A-122 prior to preparing and submitting federal grant applications. Circular A-122 distinguishes direct and indirect costs and outlines allowable methods of indirect cost allocation and recapture. Access OMB Circular A-122 at www.whitehouse.gov/omb/circulars_a122

Key Provisions of OMB Circular A-133

OMB Circular A-133 covers the general provisions of federal A-133 single audits. The circular also provides specific guidance for auditees, pass-through entities, federal agencies, and auditors. The circular broadly covers topics such as: who is subject to federal audit; audit requirements; scope of the audit; required financial statements; and remedies for audit concerns. A compliance supplement provides additional detailed guidance on internal controls and monitoring and audit requirements for programs within each of the Federal Departments. Supplemental guidance can be quite specific. Overall, the intention of OMB Circular A-133 is to standardize the performance and content of audits for all federal award recipients. If your organization receives $500,000 or more in federal funding in any fiscal year, you are subject to an A-133 audit. Access OMB Circular A-133 at www.whitehouse.gov/omb/circulars_a133

Key Provisions of OMB Circular A-110

OMB Circular A-110 outlines seventy-three administrative requirements related to applying for federal funds, managing federal funds, and closing out a federal award. Topics organized under pre-award, post-award, and after-the award sub-headings cover Standard Form 424; assurances and certifications; standards for financial management systems; cost sharing and matching rules; valuing donated goods and services; bank account requirements; allowable costs; use, disposition, and insurance coverage of real property acquired in whole or in part with federal funds; procurement; monitoring and reporting program performance; financial reporting; budget modifications; record retention; remedies for noncompliance; and closeout procedures. A glossary of federal award terms is also provided. Access OMB Circular A-110 at www.whitehouse.gov/omb/circulars_a110

FOR MORE INFORMATION VISIT THESE WEBSITES:

OMB Circulars A-110, A-122, and A-133 at www.whitehouse.gov/omb/circulars/index.html

U.S. Department of Health and Human Services Grants Policy Statement at www.ahrq.gov/fund/hhspolicy.htm

Grantee's Financial Reference Guide for Managing CDC Grants and Cooperative Agreements at http://genevasrsp.org/ data/files/Managing_CDC_grants.pdf

Find more information on Federal Indirect Cost Rates through the HHS Division of Cost Allocation Program Support Center at http://rates.psc.gov/

Code of Federal Regulations (CFR) at www.gpoaccess.gov/cfr/index.html

Federal Audit Clearing House at http://www.dpm.psc.gov/

HHS Administration for Families and Children has published a series of informative booklets with guidance on topics such as federal grants and sub-awardee management. Booklets are part of the Capacity Building Toolkits for Faith-Based and Community Organizations Intermediary Development Series and can be found at http://www.acf.hhs.gov/programs/ocs/ccf/resources/toolkit.html