

Ohio Department of Development
Community Development Division
Office of Housing and Community Partnerships
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NOTICE: OHCP 08-01

SUBJECT: Reimbursement of Allowable Costs
ISSUED: January 29, 2008
DISTRIBUTED TO: Office of Housing and Community Partnerships Award Recipients and Their Affiliates

POLICY

The following Office of Housing and Community Partnerships (OHCP) policy permits reimbursements of allowable costs, **on a limited basis**, by OHCP award recipients receiving federal and/or state OHCP-administered dollars.

Background

For federal funds, the Office of Management and Budget (*OMB Circular A-87: Cost Principles for State, Local and Indian Tribal Governments*, *OMB Circular A-21 Cost Principles for Education Institutions and OMB Circular A-122: Cost Principles for Nonprofit Organizations*) and, for state funds, the Ohio Department of Development's *Cost Principles for Grantees* allow reimbursement of allocable and allowable costs.

Therefore, OHCP will allow the reimbursement of allowable costs when the timely distribution of funds requires an award recipient or its administering agency to generate a payment for that cost from non-OHCP-awarded funds. In those **limited cases**, the payer may request a reimbursement from the OHCP-awarded grant program funds if the following source documentation is obtained:

- clear, complete, detailed documentation/evidence that the goods/services being purchased are allowable expenditures according to rules and regulations of the program being charged;
- a voucher/invoice, which includes a clear, complete and detailed description of the goods or services purchased;
- a clear, complete and detailed cost breakdown of the goods/services being purchased and the source of the funds to pay for each of the costs listed in the breakdown; and
- evidence (a copy of a canceled check or other proof of payment) that the reimbursable cost was paid from another source.

Commentary

The reimbursement of costs **should not** become a routine action. Instead, award recipients should carefully consider the use of reimbursements on an "as critically necessary" basis; and in all cases there must be a proper audit trail.

Questions regarding reimbursable costs should be directed to the OHCP Fiscal Grants Management Section Manager at (614) 466-2285.