**§ 1403.23**  **21 CFR Ch. III (4–1–98 Edition)**

(2) Reasonable fees or profit to cost-type contractors but not any fee or profit (or other increment above allow-able costs) to the grantee or sub-grantee.

(b) *Applicable cost principles.* For each kind of organization, there is a set of Federal principles for determining al-lowable costs. Allowable costs will be determined in accordance with the cost principles applicable to the organiza-tion incurring the costs. The following chart lists the kinds of organizations and the applicable cost principles.

|  |  |
| --- | --- |
| For the costs of a— | Use the principles in— |
| State, local or Indian tribal government.  Private nonprofit organization other than (1) institution of higher education, (2) hos-pital, or (3) organization  named in OMB Circular A–122 as not subject to that circular.  Educational institutions .......... For-profit organizations other than a hospital and an or- ganization named in OMB Circular A–122 as not sub- ject to that circular. | OMB Circular A–87.  OMB Circular A–122.  OMB Circular A–21.  48 CFR part 31. Contract  Cost Principles and Proce-dures, or uniform cost ac-counting standards that  comply with cost principles acceptable to the Federal agency. |

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| **§ 1403.23**   **funds.** | **Period** | **of** | **availability** | **of** |

(a) *General*. Where a funding period is specified, a grantee may charge to the award only costs resulting from obliga-tions of the funding period unless car-ryover of unobligated balances is per-mitted, in which case the carryover balances may be charged for costs re-sulting from obligations of the subse-quent funding period.

(b) *Liquidation of obligations*. A grant-ee must liquidate all obligations in-curred under the award not later than 90 days after the end of the funding pe-riod (or as specified in a program regu-lation) to coincide with the submission of the annual Financial Status Report (SF–269). The Federal agency may ex-tend this deadline at the request of the grantee.

**§ 1403.24 Matching or cost sharing.**

(a) *Basic rule: Costs and contributions acceptable*. With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost shar-

ing requirement may be satisfied by ei-ther or both of the following:   
 (1) Allowable costs incurred by the grantee, subgrantee or a cost-type con-tractor under the assistance agree-ment. This includes allowable costs borne by non-Federal grants or by oth-ers cash donations from non-Federal third parties.

(2) The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies.

(b) *Qualifications and exceptions*—(1) *Costs borne by other Federal grant agree-ments.* Except as provided by Federal statute, a cost sharing or matching re-quirement may not be met by costs borne by another Federal grant. This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Fed-eral grant.

(2) *General revenue sharing*. For the purpose of this section, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.

(3) *Cost or contributions counted to-wards other Federal cost-sharing require-ments.* Neither costs nor the values of third party in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted towards satisfying a cost shar-ing or matching requirement of an-other Federal grant agreement, a Fed-eral procurement contract, or any other award of Federal funds.

(4) *Costs financed by program income.* Costs financed by program income, as defined in § 1403.25, shall not count to-wards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the assistant agreement. (This use of gen-eral program income is described in§ 1403.25(g).)   
 (5) *Services or property financed by in-come earned by contractors.* Contractors under a grant may earn income from the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or prop-erty supported by this income may count toward satisfying cost sharing or matching requirement unless other

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