

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES  
BOARD OF CUYAHOGA COUNTY (ADAMHS BOARD)**

**POLICY STATEMENT**

**SUBJECT: RECIPIENTS OF FEDERAL FUNDING POLICY**

**EFFECTIVE DATE: May 25, 2022**

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**PURPOSE**

To ensure that the ADAMHS Board and its providers are complying with the applicable standards of cost principles as recipients of federal grant funding in determining the allowability of costs consistent with Uniform Guidance – 2 CFR 200 Subpart E, Cost Principles.

**POLICY**

It is the policy of the ADAMHS Board that the ADAMHS Board and its providers comply with Uniform Guidance – 2 CFR 200 Subpart E, Cost Principles – for determining the allowability of costs from federal grants. Additionally, all costs charged to federal grants must be included in the budget approved by the federal funding source, and any material changes to the budget must be subsequently approved by the federal funding source.

The ADAMHS Board receives federal grant funding from various federal agencies to provide behavioral health services throughout Cuyahoga County. As the ADAMHS Board do not provide direct services, it contracts with providers in the community. Thus, our providers, who are subrecipients of federal grant funding, must comply with Uniform Guidance – 2 CFR 200 Subsection E, Cost Principles, and have written policies and procedures to ensure compliance of the general rule and specific rules below.

**GENERAL RULE**

For a cost to be an allowable charge to a federal award, the cost must be:

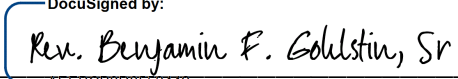
- Allowable under the cost principles (2 CFR 200.403);
- Necessary and reasonable (2 CFR 200.404);
- Allocable to an award or to multiple awards (2 CFR 200.405); and
- Consistently be treated as either a direct cost or an indirect (facilities and administrative) cost (2 CFR 412 – 2 CFR 200.415).

**SPECIFIC RULES**

- **Compensation of Personal Services (2 CFR 200.430)** – Charges to a federal award for salaries and wages must be based on records that accurately reflect the work performed. These records must:
  - Be supported by a system of internal controls which provides reasonable assurance that the time being charged is accurate, allowable, and properly allocated;
  - Be incorporated in the official records, such as payroll records;
  - Reasonably reflect the employee’s total activity;
  - Provide a time or percentage breakdown on all activities, both federally funded and non-federally funded, for the employee; and
  - Comply with the non-federal entity’s pre-established accounting practices and procedures.

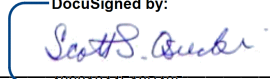
- **Compensation for Fringe Benefits/Leave (2 CFR 200.431)** – The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable and allocatable to a federal award if the following criteria are met:
  - They are provided under established written leave policies of the non-federal entity;
  - The costs are equitably allocated to all related activities, including federal awards; and
  - The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the non-federal entity.
  
- **Relocation Costs of Employees (2 CFR 200.464)** – Relocation costs are costs incident to the permanent change of duty assignment (for an indefinite period or for a stated period of not less than 12 months) of an existing employee or upon recruitment of a new employee. Generally, relocation costs related to a federal award are allowable with certain exception provided that:
  - The move is for the benefit of the employer;
  - Reimbursement to the employee is in accordance with an established written policy consistently followed by the employer; and
  - The reimbursement does not exceed the employee’s actual or reasonably estimated expenses.
  
- **Travel Reimbursements (2 CFR 200.474)** – Travel costs are the expense for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business related to a federal award.
  - Travel costs can be charged on an actual cost basis, a per diem basis, or a combination of the two as long as charged the same way for the whole trip; and
  - Travel costs must be reasonable and consistent with the non-federal entity’s written policy with proper documentation.

**Supersedes and retires:** Not Applicable  
**Reference:** 2 CFR 200, Subpart E, Cost Principles

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 Rev. Benjamin F. Gohlstin, Sr.  
 ADAMHS Board Chair

May 25, 2022

Approval Date

DocuSigned by:  
  
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 Scott S. Osiecki  
 ADAMHS Board Chief Executive Officer

May of 2025

Review Date