



STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
830 PUNCHBOWL STREET, ROOM
HONOLULU, HAWAII 96813

December 8, 2004

(SN 78)

WIA BULLETIN NO. 14-04

TO: WIA Partners

SUBJECT: Revisions to Office of Management and Budget (OMB) Circulars A-87, A-122, and A-21

PURPOSE

The purpose of this bulletin is to inform all WIA Partners that the OMB has issued revisions to Circulars A-87, A-122 & A-21.

BACKGROUND

As part of a government-wide grant streamlining effort under Public Law 106-107, the Federal Financial Award Management Improvement Act of 1999, the OMB chose to simplify the cost principles by making the descriptions of similar cost items consistent amongst the Circulars, thereby reducing the possibility of misinterpretation. Cost items were added, amended, and deleted, resulting in the cost sections of each circular being renumbered. The revisions were finalized on May 10, 2004 for the following three circulars:

1. OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments
2. OMB Circular A-122, Cost Principles for Non-Profit Organizations
3. OMB Circular A-21, Cost Principles for Educational Institutions

POLICY

The OMB Circulars establish general principles and standards on determining costs and include an attachment of selected allowable and unallowable costs. These cost principles and standards, which provide the framework for determining whether costs may be charged to a federal grant, are summarized below:

- Cost must be reasonable, necessary and allocable to the grant.
- Costs must be authorized or not prohibited under federal, state, or local laws or regulations.
- Costs must receive consistent treatment.
- Costs must not be used to meet matching requirements.
- Costs must be adequately documented.
- Costs must conform to grant exclusions and limitations.

INSTRUCTIONS

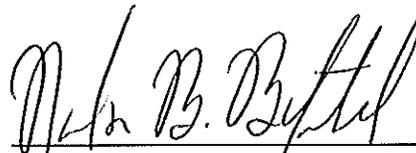
Effective immediately, WIA Partners should review the revised OMB Circulars A-87, A-122 or A-21, which are available on the Internet (Reference Enclosure 1) by going to:

<http://www.whitehouse.gov/omb/circulars/index.html>

Appropriate action should be taken to disseminate these revisions to all affected WIA programs.

INQUIRIES

Questions regarding this bulletin may be directed to Mr. Roy Umehira, Accountant, at (808) 586-8903.



NELSON B. BEFITEL

Enclosure



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Circulars

Instructions or information issued by OMB to Federal agencies. These are expected to have a continuing effect of two years or more. To obtain circulars that are not available on-line, please call the Office of Management and Budget's information line at (202) 395-3080. Choose from one of two options: Circulars arrayed by numerical sequence; or Circulars indexed by major category.

- Budget
- State and Local Governments
- Educational and Non-Profit Institutions
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OMB Circulars in Numerical Sequence

OMB Circular A-1, System of Circulars and Bulletins to Executive Departments and Establishments (08/07/1952)

OMB Circular A-4, Regulatory Analysis (09/17/2003) HTML or PDF (435k)

OMB Circular A-11, Preparation, Submission and Execution of the Budget (Revised 11/17/2004)

OMB Circular A-16, Coordination of Geographic Information, and Related Spatial Data Activities (08/19/2002)

OMB Circular A-19, Legislative Coordination and Clearance (09/20/1979)

OMB Circular A-21, Cost Principles for Educational Institutions (05/10/2004) HTML or PDF (263k)

OMB Circular A-25, Transmittal Memorandum #1, User Charges (07/08/1993)

Information for Agencies

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OMB Circular A-34, Instructions on Budget Execution (Rescinded 6/27/2002; superceded by OMB Circular No. A-11, Part 4) (1,034k) 

OMB Circular A-45, Rental and Construction of Government Quarters (10/20/1993)

OMB Circular A-50, Audit Followup (09/29/1982)

OMB Circular A-76 (May 29, 2003, including technical correction made by OMB Memorandum M-03-20) (August 15, 2003) HTML or PDF (1.35mb) 

Implementing the FAIR Act:

Transmittal Memorandum #20 (06/14/1999) in HTML, WPD or PDF (85k) 

Transmittal Memorandum #21 (04/27/2000) in HTML

Transmittal Memorandum #22 (08/31/2000) in PDF (8k) 

Transmittal Memorandum #23 (03/14/2001) in PDF (8k) 

Transmittal Memorandum #24 (02/27/2002) in PDF (8k) 

Transmittal Memorandum #25 (03/14/2003) in HTML

Proposed Revised OMB Circular A-76 of November 14, 2002, in PDF (926k)  or Word (for agency and public comment)

Docket of Comments to Proposed Revised OMB Circular A-76

- List of Emails received from Agency and Public
- List of faxes received from Agency and Public

Historical Circular A-76, Performance of Commercial Activities, (08/04/1983) (Revised 06/14/1999) in HTML, WPD or PDF (29k)



Supplemental Handbook in HTML, WPD or PDF (968k) 
(04/01/1996) (Revised 06/14/1999)

OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments (05/10/2004) HTML or PDF (199k) 

OMB Circular A-89, Catalog of Federal Domestic Assistance (08/17/1984)

OMB Circular A-94, "Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs" (10/29/1992) (Revised 01/22/2002):

Text of OMB Circular No. A-94 (10/29/1992) HTML or PDF (269k) 

Appendix C: Discount Rates for Cost-Effectiveness, Lease-

Purchase, and Related Analyses for OMB Circular No. A-94
(02/13/2004)

Table of Past Years Discount Rates from Appendix C of OMB
Circular No. A-94 (01/16/2004) (27k) 

Memorandum M-04-06, 2004 Discount Rates for OMB Circular No.
A-94 (02/13/2004)

OMB Circular A-97, (08/29/1969)

Transmittal Memorandum #1, Specialized or Technical Services
for State and Local Governments (03/27/1981)

OMB Circular A-102, Grants and Cooperative Agreements With State and
Local Governments (10/07/1994) (further amended 08/29/1997) HTML or
PDF (43k) 

Where is the Grants Management Common Rule?
Where are the Attachments to A-102?

OMB Circular A-110, Uniform Administrative Requirements for Grants and
Other Agreements with Institutions of Higher Education, Hospitals and Other
Non-Profit Organizations (11/19/1993) (further amended 09/30/1999)

OMB Circular A-119, Transmittal Memorandum, Federal Participation in the
Development and Use of Voluntary Standards (02/10/1998)

OMB Circular A-122, Cost Principles for Non-Profit Organizations
(05/10/2004) HTML or PDF (220k) 

OMB Circular A-123, Management Accountability and Control (06/21/1995)

OMB Circular A-125, was rescinded and replaced by the Prompt Pay
regulations at 5 CFR Part 1315.

OMB Circular A-126, Improving the Management and Use of Government
Aircraft (05/22/1992)

-- Attachment A
-- Attachment B

OMB Circular A-127, Financial Management Systems (07/23/1993)

Transmittal Memorandum #2 (06/10/1999)

OMB Circular A-129, Managing Federal Credit Programs (11/2000)

OMB Circular A-130, Transmittal Memorandum #4, Management of Federal

Information Resources (11/28/2000) HTML or PDF (92k) 

OMB Circular A-131, Value Engineering (05/21/1993)

OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (06/24/1997, includes revisions published in *Federal Register* 06/27/2003) HTML or PDF (127k) 

- Appendix A: Data Collection Form (Form SF-SAC)
- Appendix B: March 2004 Compliance Supplement

OMB Circular A-134, Financial Accounting Principles and Standards (05/20/1993)

OMB Circular A-135, Management of Federal Advisory Committees (10/05/1994)

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