

# **Subpart 731.7—Contracts With Nonprofit Organizations**

**Parent topic:** [PART 731—CONTRACT COST PRINCIPLES AND PROCEDURES](#)

## **731.770 Cost principles.**

(a) The Bureau for Management, Office of Acquisition and Assistance, Cost Audit Support Division, Overhead and Special Cost and Contract Close-Out Branch (M/OAA/CAS/OCC) provides assistance to the M/OAA Director regarding the application of 2 CFR part 200, subpart E. M/OAA/CAS/OCC is responsible for liaising with other cognizant agencies; authorizing exemptions to subpart E coverage for a nonprofit organization pursuant to 2 CFR 200.401(c); and providing advice and assistance in applying the cost principles.

(b) Prior approval, as used in 2 CFR part 200, means securing the awarding agency's advance written permission to incur costs. Where an item of cost requiring prior approval is included in the award budget, approval of the budget constitutes prior approval of that cost, unless otherwise specified. Accordingly, contract budgets must include one of the following statements:

(1) "Inclusion of any cost in the line item budget of this award does not constitute prior approval of cost items pursuant to 2 CFR part 200"; or

(2) "In accordance with 2 CFR part 200, approval is granted to incur costs for (name specific item or items requiring prior written approval) which are included in the budget of this award."

## **731.771 [Reserved]**

## **731.772 Compensation for personal services.**

The policies set for in (48 CFR) AIDAR 731.205-6 are also applicable to contracts with a nonprofit organization.

## **731.773 Independent research and development costs.**

The cost principle at FAR 31.205-18 applies to independent research and development costs.

## **731.774 Overseas recruitment incentive.**

USAID's policies regarding overseas recruitment incentives are set forth in (48 CFR) AIDAR 731.205-70. These policies are also applicable to contracts with a nonprofit organization.

## **731.775 Conference approval requirements.**

USAID's policies regarding conference approval requirements are set forth in (48 CFR) AIDAR 731.205-43. These policies are also applicable to contracts with nonprofit organizations.