



# MEMORANDUM

State of Arizona  
Department of Homeland Security



Governor Douglas A. Ducey

Director Gilbert M. Orrantia

From: AZDOHS  
To: All AZDOHS Subrecipients  
RE: Clarification on Allowable Recurring Costs  
Date: January 3, 2017

---

Some subrecipients receive grant awards on a regular cycle which include the costs of recurring expenses such as cell phones, air cards and personnel. Grant rules restrict how some of these expenses can be charged. This memo serves as a clarification on how to charge such expenses.

## **2CFR200: §200.77 Period of performance.**

*Period of performance* means the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award. The Federal awarding agency or pass-through entity must include start and end dates of the period of performance in the Federal award (see §§200.210 Information contained in a Federal award paragraph (a)(5) and 200.331 Requirements for pass-through entities, paragraph (a)(1)(iv)).

When subrecipients are awarded grant funds for cell phones, air cards, or other recurring monthly expenses, they are awarded only for the dates within the period of performance, “the work authorized under the Federal award” and do not cover any dates prior or subsequent to those dates. Therefore, subrecipients who are awarded regularly for such expenses on a yearly basis must prorate those expenses for the last month of the period of performance and will be required to pay these expenses using their own funds for any time within the billing cycle that takes place in the new award, since obligations cannot be made prior to the beginning of the period of performance. The subsequent billing cycle can then be charged in full as can subsequent invoices for dates up to and including the final day of the award.

For Example:

The monthly cell phone bill is \$100 and is for the period of 9/15/16-10/14/16 and was received on 9/12/16. Period of Performance is 10/1/15-9/30/16. The subrecipient shall only charge the amount of the bill which falls within the Period of Performance (prorate), which is fifteen days or \$53.33. The amount of the bill which falls outside of the Period of Performance (\$46.67) cannot be charged to the grant nor can it be charged to any grants that begin on 10/1/16 because the invoice was received on 9/12/16, which is outside of the Period of Performance for that grant and subrecipients cannot obligate funds prior to the Period of Performance.

For questions, please contact your AZDOHS finance contact:

Kevin Mancino – State Agencies, Central Region, UASI, Stonegarden (Santa Cruz & Cochise Counties) – 602-542-1716  
– [kmancino@azdohs.gov](mailto:kmancino@azdohs.gov)

Lindsey Forry – North, East and West Regions – 602-542-1715 – [lforry@azdohs.gov](mailto:lforry@azdohs.gov)

Jennifer Guimond – South Region, Stonegarden (Yuma and Pima Counties) – 602-542-7047 – [jguimond@azdohs.gov](mailto:jguimond@azdohs.gov)

Thank you.