Management of each individual State organization is responsible for ensuring compliance with applicable laws and regulations. Management must be cognizant not only of State laws which pertain to their organizations but also of Federal laws and regulations which could affect operations.

Publications with which Federal grants management personnel should be familiar include OMB's Circular No. A-87 Cost Principles for State, Local and Indian Tribal Governments and, if applicable, the Common Rule "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments." It should be noted that the Common Rule is applicable to all Federal grants and sub-grants, except where Federal laws are inconsistent or where the OMB has granted an exception. The Common Rule does not apply to the following types of Federal assistance:

- Grants to state or local institutions of higher education,
- Grants to state and local hospitals,
- Block grants authorized under the Omnibus Budget and Reconciliation Act of 1981, and
- Various entitlement programs, such as those related to the Social Security Act, National School Lunch Act, Child Nutrition Act, and Food Stamp Act.

Cost principles for Federal grants to which the Common Rule does not apply can be obtained by reviewing appropriate sections of the Code of Federal Regulations, which is a codification of the general and permanent rules published in the Federal Register by the various departments and agencies of the Federal government.