

Franklin Central Supervisory Union

Allowability of Cost Procedure

Obligation of Federal Funds require the SU/SD must determine the allowability of costs in accordance with Subpart E cost principals (2 CFR §200.400) and the terms and conditions of the award. The cost must be:

- Reasonable
- Necessary
- Allocable
- Consistent treatment of Direct and Indirect costs (2 CFR §200.412-§200.415)
- Meets the conditions of Selected Items of Cost (2 CFR §200.420-§200.475)

Task	Title of Responsible Party	Stage of Process (requisition, PO, Contract, Invoice)
Determines the cost is necessary	Grant Supervisors	Grant Application
Determines the cost is reasonable	Grant Supervisors	Grant Application
Determines the cost is included in the grant	Grant Coordinator	Requisition
Verifies the cost is within the grant period	Grant Coordinator	Requisition
Determines the cost is allocable	Grant Supervisors	Requisition
Determines the cost is correctly treated as a direct cost or indirect admin	Grant Coordinator	Requisition
Determines the cost is allowed as a selected item of cost (ex. sales tax, entertainment...are not allowable)	Grant Supervisors and Grant Coordinator	Requisition
Verifies adequate documentation is on file to support the invoice (ex. Packing slip for supplies, proof of attendance for conferences...)	Grant Coordinator	Invoice
Verifies the cost is covered by a contract and that procurement procedures/ conflict of interest procedures have been followed	Grant Supervisors and Grant Coordinator	PO and Contract
Verifies suspension and debarment has been checked	Grant Supervisors	Requisition
Verifies contract administration procedures have been followed	Grant Supervisors and Grant Coordinator	Invoice