

ALLOWABLE /
UNALLOWABLE
COSTS

BEST WAY TO DETERMINE AN ALLOWABLE COST?

- ▶ **In a nutshell**, the cost must be supported by the statement of work and approved as part of the budget.
- ▶ If you have a supply budget line and you need to buy a box of gloves that wasn't specifically listed in the statement of work is it allowable?
 - Yes, if it is needed/benefits the project.
- ▶ Does it need to be allocated?
 - Yes, unless it is solely being used on the project.
- ▶ Keep in mind you can't directly cost expenditures to projects that are covered under F&A costs. (This is called double dipping!)

UNALLOWABLE COSTS

► Prior Approval According to UG 200.407

- (b) 200.306 Cost sharing or matching;
- (c) § 200.307 Program income;
- (d) § 200.308 Revision of budget and program plans;
- (e) § 200.332 Fixed amount subawards;
- (f) § 200.413 Direct costs, paragraph (c);
- (g) § 200.430 Compensation—personal services, paragraph (h);
- (h) § 200.431 Compensation—fringe benefits;
- (i) § 200.438 Entertainment costs;
- (j) § 200.439 Equipment and other capital expenditures;

UNALLOWABLE DIRECT COSTS

► Prior Approval according to UG 200.407

(k) § 200.440 Exchange rates;

(l) § 200.441 Fines, penalties, damages and other settlements;

(m) § 200.442 Fund raising and investment management costs;

(n) § 200.445 Goods or services for personal use;

(o) § 200.447 Insurance and indemnification;

(p) § 200.454 Memberships, subscriptions, and professional activity costs,

(q) § 200.455 Organization costs;

(r) § 200.456 Participant support costs;

(s) § 200.458 Pre-award costs;

(t) § 200.462 Rearrangement and reconversion costs;

(u) § 200.467 Selling and marketing costs; and

(v) § 200.474 Travel costs.

COMPUTING DEVICES

UG 200.20 (Definition)

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. See also §§ 200.94 Supplies and 200.58 Information technology systems.

- ▶ UT Policy FI0206, (e) &(f) state, “If a principal investigator wishes to charge any of the type of expenditures described above directly to a federal or federal flow-through sponsored project, the following criteria must be satisfied:
- ▶ The charges must be clearly spelled out in the initial budget and budget justification submitted to the sponsoring federal agency.”
- ▶ **What is included here? (Peripherals??)**

PORT AND TELEPHONE CHARGES

- ▶ Unless specific approval is granted for the project these items are covered under F&A.
- ▶ Port Charges are being monitored for compliance and will be removed from projects that don't have specific approval.
- ▶ This has been very costly to departments who are not charging these appropriately to departmental accounts.
- ▶ Only long distance phone charges can be directly charged to sponsored projects.
- ▶ Basic monthly phone charges are F&A costs!

SPONSOR SPECIFIC ITEMS BEING QUESTIONED!

▶ UTB

- Effort Certification (not matching up with tech reports)
- Equipment over 5,000, questioned for back-up and proper coding as equipment! (**Plan Ahead** on this)
- Software
- Student Fee's
- Pre-award costs disallowed
- Travel
- Food @ Conferences (Don't code as entertainment)
- Program Income

SPONSOR SPECIFIC ITEMS BEING QUESTIONED!

▶ NIH

- Salary Cap

- Food

SPONSOR SPECIFIC ITEMS BEING QUESTIONED!

▶ Knox County

- Travel
- Salary over a specific dollar amount
- Anything computer related, web development, software, etc...

STATE AUDIT

- ▶ Computing Devices
- ▶ Entertainment
- ▶ Equipment
- ▶ Cost at the end of a project
- ▶ Cost **posted** outside of the award period (sometimes ok)
- ▶ Why is this sometimes ok???

ITEMS IN GENERAL BEING QUESTIONED!

▶ All sponsors ask about:

- Computing Devices
- International Travel
- Equipment
- Food and Drinks (Entertainment)
- Staff meals for planning/working meetings
- Costs outside of the award period

ANY QUESTIONS

