

CHARGING COSTS TO FEDERAL GRANT AWARDS: GENERAL STANDARDS

The Office of Management and Budget has established standards that must be met in order to charge a cost to a federal grant award. These standards are presented below in the form of a checklist for reference by Principal Investigators and others involved in the financial management of such awards. As a general rule, **all** of the items on the checklist must be met for a cost to be charged to a federal award. The checklist is derived from the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (CFR 2 Part 200)*, a document commonly referred to as the *Uniform Guidance*.

General Considerations

The cost is:

- ✓ Consistent with the project budget approved by the awarding agency. (Note: Some departures from the approved budget are allowed under certain circumstances. Consult with ORS if you are not sure whether a departure being made is allowable.)
- ✓ Not charged to another grant award.
- ✓ Not being counted as cost sharing or matching on another federal grant award.
- ✓ Consistent with DePaul policies and procedures that apply uniformly to university activities, whether federally sponsored or not.
- ✓ Adequately documented.

Allowability

The specific type of cost is:

- ✓ Not excluded by the *Uniform Guidance*. (See the ORS document *Charging Costs to Federal Grants Awards: Guidance on Particular Cost Items* for a list of excluded costs.)
- ✓ Not excluded by the federal agency that funded the grant award.
- ✓ Not excluded by the funding program or by the terms of the grant award.

Reasonableness

The cost:

- ✓ Does not exceed what a prudent person would pay under the circumstances.
- ✓ Is generally recognized as an ordinary and necessary expense for the type of project being conducted.
- ✓ Reflects market prices for comparable goods or services for the geographical area.
- ✓ Is consistent with DePaul's established practices, procedures, and/or policies for incurring such a cost.

Allocability

The cost:

- ✓ Was incurred specifically for the sponsored project to which it is being charged.
- ✓ Clearly benefits the sponsored project.
- ✓ Is divided across projects in a manner that reflects the proportional benefit in situations where the cost benefits two or more projects.
- ✓ Is not being applied to use up surplus funds, or to avoid a deficit on another sponsored project.
- ✓ Is not being applied for other reasons of convenience, such as to “park” the cost until it can be correctly assigned.