



NDE BUDGET & GRANTS MANAGEMENT

Allowable &
Unallowable Costs



GENERAL FACTORS

- Check your specific grants as many grants have very specific focuses
- Check with your Grant Administrator if not sure
- Always ask if not sure
- Better to know up front instead of having to pay funding back for unallowable activities



2 CFR 200.403 – Factors Affecting Allowability of Costs

- Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal grants:
 - Be necessary and Reasonable for the performance of the Federal award
 - Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items
 - Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity



2 CFR 200.403 – Factors Affecting Allowability of Costs (cont'd)

- Be accorded consistent treatment.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or prior period
- Be adequately documented



2 CFR 200.404 – Reasonable Costs

- A cost is reasonable, IF, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost



2 CFR 200.405 – Allocable Costs

A cost is Allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received.



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.421 – Advertising and Public Relations
- 2 CFR 200.422 – Advisory Councils
- 2 CFR 200.423 – Alcoholic Beverages
- 2 CFR 200.424 – Alumni/ae Activities
- 2 CFR 200.425 – Audit Services



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.426 – Bad Debts
- 2 CFR 200.427 – Bonding Costs
- 2 CFR 200.428 – Collections of Improper Payments
- 2 CFR 200.429 – Commencement and Convocation Costs



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.430 - Compensation-
Personal Services
- 2 CFR 200.431 – Compensation – Fringe
Benefits
- 2 CFR 200.432 – Conferences



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.433 – Contingency Provisions
- 2 CFR 200.434 – Contributions & Donations
- 2 CFR 200.435 – Defense and prosecution of criminal and civil proceedings, claims appeals and patent infringements
- 2 CFR 200.436 – Depreciation



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.437 – Employee Health & Welfare Costs
- 2 CFR 200.438 – Entertainment Costs
- 2 CFR 200.439 – Equipment and Other Capital Expenditures



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.440 – Exchange Rates
- 2 CFR 200.441 – Fines, penalties, damages and other settlements
- 2 CFR 200.442 – Fund raising and investment management costs



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.446 – Idle facilities and idle capacity
- 2 CFR 200.447 – Insurance and indemnification
- 2 CFR 200.448 – Intellectual property
- 2 CFR 200.449 – Interest



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.450 – Lobbying
- 2 CFR 200.451 – Losses on other awards or contracts
- 2 CFR 200.452 – Maintenance and repair costs
- 2 CFR 200.453 – Materials and supplies costs, including costs of computing devices



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.454 – Memberships, subscriptions, and professional activity costs
- 2 CFR 200.455 – Organization costs
- 2 CFR 200.456 – Participant support costs
- 2 CFR 200.457 – Plant and security costs



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.458 – Pre-award costs
- 2 CFR 200.459 – Professional service costs
- 2 CFR 200.460 – Proposal costs
- 2 CFR 200.461 – Publication and printing costs
- 2 CFR 200.462 – Rearrangement and reconversion costs



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.463 – Recruiting costs
- 2 CFR 200.464 – Relocation costs of employees
- 2 CFR 200.465 – Rental costs of real property and equipment
- 2 CFR 200.466 – Scholarships and student aid costs



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.467 – Selling and marketing costs
- 2 CFR 200.468 – Specialized service facilities
- 2 CFR 200.469 – Student activity costs
- 2 CFR 200.470 – Taxes (including Value Added Tax)



AREAS FREQUENTLY QUESTIONED

- 2 CFR 200.471 – Termination costs
- 2 CFR 200.472 – Training and education costs
- 2 CFR 200.473 – Transportation costs
- 2 CFR 200.474 – Travel costs
- 2 CFR 200.475 - Trustees

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Thank you!