



Job Aid

Determining Allowable vs. Unallowable Costs

This job aid guides you in determining if a cost is allowable or unallowable, based on the criteria for authorized expenditures specified in the cost principles.

Task	Yes	No	Uncertain	Comments
Is the staff knowledgeable of the requirements for determining activities allowed and allowable costs under the grant programs, 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are grant agreements and cost principles circulars available to the staff responsible for determining allowable and unallowable costs and activities under federal awards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>Is the cost reasonable, allowable, allocable, and necessary to the project? Refer to the grant program and 2 CFR.</p> <ul style="list-style-type: none"> ▶ Is it allocable to the award under the provisions of the applicable cost principles? ▶ Is it necessary and reasonable for proper and efficient performance and administration of the grant or cooperative agreement? ▶ Is it treated consistently as a direct or indirect cost? ▶ Is it determined in accordance with generally accepted accounting principles? ▶ Is it the net of all applicable credits? ▶ Are the costs not treated as an indirect cost? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If yes , then it is an allowable cost (proceed to answer additional questions). If no , then it is an unallowable cost.
Are the costs adequately documented?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are the costs authorized or not prohibited under state or local laws and regulations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are the costs consistent with the recipient's policies, regulations, and procedures that apply to federal awards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is there an ongoing process in place to update procedures for changes in activities allowed and cost principles?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	