



# 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!