

Allowable Costs for Federal Programs

Purpose

This policy sets forth the expectation that Federal awards will be managed and expended for only allowable costs, goods and activities in accordance with the cost principles prescribed by federal law.

Scope

This policy applies to the Superintendent, the Chief Financial Officer and staff involved in the management of Federal awards.

Policy

1. Expenditures under federal programs are governed by the Federal Cost Principles contained in 2 CFR Part 200 Subpart E – Cost Principles. The district is committed to ensuring that costs claimed under Federal awards follow these cost principles as well as any special terms and conditions contained in the award. Additionally, as a grantee, the district is required to follow the more restrictive of the federal, state, and district policies. When applying these cost principles, the district will:
 - (a) Maintain responsibility for the efficient and effective administration of the Federal award through the application of sound management practices.
 - (b) Assume responsibility for administering federal funds in a manner consistent with underlying agreements, program objectives and the terms and conditions of the federal award.
 - (c) Apply accounting practices that are consistent with the cost principles, support the accumulation of costs as required by the principles, and provide for adequate documentation to support costs charged to the federal award.
2. The district will maintain a system of internal controls over federal expenditures to provide reasonable assurance that Federal awards are expended only for allowable activities and that the costs of goods and services charged to Federal awards are allowable and in accordance with the above referenced cost principles. Those controls will meet the following general criteria:
 - (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
 - (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
 - (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the district.
 - (d) Be accorded consistent treatment.
 - (e) Be determined in accordance with generally accepted accounting principles.

- (f) 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 a prior period.
- (g) Be adequately documented.

Related Procedures

6101P1-Federal Cash and Financial Management

6106P1-Allowable Costs for Federal Programs

Policy Cross References

6101-Federal Cash and Financial Management

6210-Purchasing Authorization and Control

6220-Bid Requirements

6801-Capital Assets/Theft-Sensitive Assets

Policy Legal References

2 CFR Part 200, Subpart E

Management Resources

Policy & Legal News, December 2015 – New policy on allowable costs for Federal programs issued

Policy History

Action:	Date:
Approved by the Board	March 16, 2016
Revised	
Revised	
Revised	