

Cost principles will be consulted for the determination of the allowability or unallowability of costs. All costs must be:

1. Necessary, reasonable and allocable
  - a. A cost may be considered reasonable if the nature of the goods or services acquired or applied and the associated dollar amount reflect the action that a prudent person would have taken under the circumstances prevailing when the decision to incur the cost was made.
  - b. A cost will be allocable to a grant if it is incurred solely in order to advance work under the grant; it benefits both the grant and other work of the institution, including other grant-supported projects; or it is necessary to the overall operation of the organization and is deemed to be assignable, at least in part, to a grant.
2. Conform with federal law & grant terms
3. Consistent with state and local policies
4. Consistently treated
  - a. Costs may be charged as either direct or facilities & administrative costs (F&A-indirect costs), but all costs must be treated consistently for all work of the college under similar circumstances, regardless of the source of funding.
5. Net of applicable credits
6. Adequately documented
  - a. The total amount of salary paid from grant funds to an employee of the college will be proportional to the time devoted to the funded project and will not exceed the total annual amount of pay and allowances the individual would have received if not associated with a grant funded initiative.
  - b. The college will follow internal procedures to ensure employees pay is accurately allocated to reflect work performed.

Any cost incurred without authorization will be considered as a personal transaction between the vendor and the individual. The College will not assume liability for payments of obligations incurred without proper purchasing procedure.

All periodic financial and progress reports will be submitted as required. Other required reports may include conflict of interest reports, audit reports and specialized programmatic reports. The college will adhere to these requirements as outlined in any Notice of Award.