

# Allocability

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# Agenda

- Allocability Overview
- Proposals & Budgeting
- Purchase Requisitions
- Period of Performance
- Journal Vouchers
- Split Allocations
- Unique Sponsor Restrictions
- Allocation FAQs

# Allocability Factors

- Is the cost allowable?
- What would a prudent person do?
- How does the cost benefit the award?

# Is the cost allowable?

Cost must:

- Be necessary and reasonable
- Be consistent with policies and procedures applied to all funds
- Be consistently treated as a direct and indirect cost in like circumstance
- Meet generally accepted account principles
- Not be included as a cost or used as cost share on another federal awards
- Be documented

[Uniform Guidance § 200.403](#)

# What would a prudent person do?

A reasonable cost passes the “prudent person test”:

A prudent person would incur the same cost in like circumstances considering costs, performance, necessity, policies, and laws

[Uniform Guidance § 200.404](#)

# How does the cost benefit the award?

Cost are allocable when they directly benefit the award:

- Incurred specifically for the award
- Relative benefit:
  - Costs benefiting more than one award should be split based on proportional benefit
  - Split should be determined easily
- Costs are not charged due to fund deficiencies on another award

[Uniform Guidance § 200.405](#)

# Allocability – Proposal Development

- Research quotes for supplies, equipment, travel, facilities fees
- Only budget costs that will benefit the award
- Do not budget items that should be an indirect cost
- If a project requires a cost that is typically an indirect cost, justify this request

# Period of Performance

- Uniform Guidance § 200.77
  - ***Period of performance*** means the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award. The Federal awarding agency or pass-through entity must include start and end dates of the period of performance in the Federal award (see § § 200.210 Information contained in a Federal award paragraph (a)(5) and 200.331 Requirements for pass-through entities, paragraph (a)(1)(iv)).
- Uniform Guidance § 200.309
  - **A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance** (except as described in § 200.461 Publication and printing costs) and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.

# Period of Performance - Closeout

- Uniform Guidance § 200.343 - Closeout
  - (b) Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity **must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance** as specified in the terms and conditions of the Federal award.
  - REMINDER: your opportunity to address after end date charges on the ACR

## After end-date charges for Project:

Verify and provide documentation for all allowable after end-date charges. Remove all unallowable after end-date charges.  
No transactions have been found.

**Backup documentation:** Use the Browse button to locate the file on your local drive.

**Files:** (All attached files on this page must total less than 7 MB. For larger files, please use UD Dropbox link at top of page, and list recipient address as closeout-reports@udel.edu. Include Project Id as reference.)

1.  No file chosen

[Upload additional files](#)

**After-end-date charges status:** \*

**Comments:** 4000 characters left.

# Period of Performance – Common Issues

- Equipment purchased immediately prior to the award end date
  - Benefit to the award should be **substantial**
    - Exceptions: equipment or infrastructure awards
  - Considerations
    - Total timeframe of the award
    - Remaining budget
    - NCE request justifications
    - Final project reports
    - Payment terms (ex. “due upon acceptance”)
    - Documentation to support when the equipment was received

# Period of Performance – Common Issues

- Supplies/consumables purchased immediately prior to the award end date
  - Benefit to the award should be documented and reasonable
  - Considerations
    - Total timeframe of the award
    - Remaining budget
    - Documentation to support when the supplies were received
    - Re-stocking

# Journal Vouchers

- A cost is allocable if goods/services are chargeable in accordance with relative **benefits** received

Question 3: | Why should this charge be transferred to the proposed receiving project?

- Common Issues: Addressing the Benefit to the Award
  - Referencing utilization of available budget
  - Split allocations
  - Effort
  - “Per a conversation with the PI, it was determined that these expenses were charged to the incorrect purpose, this journal entry is to transfer that expense to an appropriate purpose.”

# Split Allocations

- UD Cost Accounting Standards (CAS) Guidelines on reasonable methods for split allocations:
  - Proportional benefit
  - Specific anticipated use per award
  - Full-time equivalents (FTEs) on each award
  - Lab square footage
  - Correlation to another lab cost that is clearly allocated

# Allocability – Purchase Requisitions

Research Office review of Purchase Requisitions (>\$5,000):

- Is an appropriate quote or invoice included?
- Is the cost allowable under the award terms and UD policies?
- Is the correct account code used?
- Are funds budgeted for the purchase?
- If not, is prior approval required for the purchase to rebudget?
- Is the cost within the period of performance? Is it close to the end date?
- If the cost is split, a justification for the split should be included on the requisition

# Allocability – Purchase Requisitions (cont.)

Item	Details	Line total																																																												
GroundWater Monitoring Instruments	<p>(15 qty) 112696 3001 LTC Levellogger Edge, M10/C80 -- (5 qty) 112901 3001 LTC Levellogger Edge, M20/C80 -- (1 qty) 1100149 3001 Optical Reader -- DGSY422182 (\$16632) 14 loggers -- DGSY175111 GW Monitoring Services (\$ 7262.10) 6 loggers + optical reader</p> <p><b>Unit of measure:</b> Standard Cost Dollars      <b>Quantity:</b> 1      <b>Unit cost:</b> \$23,894.10</p> <table border="1" data-bbox="237 387 1690 791"> <thead> <tr> <th colspan="5">Chartfield information</th> <th>Amount</th> </tr> <tr> <th>SpeedType:</th> <th>Purpose:</th> <th>Category:</th> <th>Account:</th> <th>Dept ID:</th> <th></th> </tr> </thead> <tbody> <tr> <td>DGSY422182 - TRA GWM SUPL 125-A/B ANDRES</td> <td>DGSY422182 - TRA GWM SUPL 125-A/B ANDRES</td> <td>41100 - LABORATORY SUPPLIES</td> <td>140600 - LABORATORY SUPPLIES</td> <td>07501 - DE GEOLOGICAL SURVEY</td> <td>\$16,632.00</td> </tr> <tr> <th>Fund:</th> <th>Program:</th> <th>Source:</th> <th>Project ID/Grant:</th> <th>Contract:</th> <th>Project End Date:</th> </tr> <tr> <td>OPBAL - OPERATING BALANCE</td> <td>RSCH2 - STATE RESEARCH</td> <td>5200000000</td> <td>DGSY42218219000 - TRA GWM SUPL 125-A/B ANDRES</td> <td>TASK 125-1717 - TRA GW MONITOR FY19 ANDRES</td> <td>06/30/2019</td> </tr> <tr> <th>SpeedType:</th> <th>Purpose:</th> <th>Category:</th> <th>Account:</th> <th>Dept ID:</th> <th></th> </tr> <tr> <td>DGSY175111 - R/E STATE GEOLOGIST ACTIVITY</td> <td>DGSY175111 - R/E STATE GEOLOGIST ACTIVITY</td> <td>41100 - LABORATORY SUPPLIES</td> <td>140600 - LABORATORY SUPPLIES</td> <td>07501 - DE GEOLOGICAL SURVEY</td> <td>\$7,262.10</td> </tr> <tr> <th>Fund:</th> <th>Program:</th> <th>Project ID/Grant:</th> <th>Project End Date:</th> <th></th> <th></th> </tr> <tr> <td>OPBAL - OPERATING BALANCE</td> <td>PUBSV - PUBLIC SERVICE</td> <td>UNIV31291114000 - SVC CTR SUBJECT TO FEDERAL REG</td> <td>12/31/2050</td> <td></td> <td></td> </tr> <tr> <th colspan="5">Chartfield total</th> <th>\$23,894.10</th> </tr> </tbody> </table>	Chartfield information					Amount	SpeedType:	Purpose:	Category:	Account:	Dept ID:		DGSY422182 - TRA GWM SUPL 125-A/B ANDRES	DGSY422182 - TRA GWM SUPL 125-A/B ANDRES	41100 - LABORATORY SUPPLIES	140600 - LABORATORY SUPPLIES	07501 - DE GEOLOGICAL SURVEY	\$16,632.00	Fund:	Program:	Source:	Project ID/Grant:	Contract:	Project End Date:	OPBAL - OPERATING BALANCE	RSCH2 - STATE RESEARCH	5200000000	DGSY42218219000 - TRA GWM SUPL 125-A/B ANDRES	TASK 125-1717 - TRA GW MONITOR FY19 ANDRES	06/30/2019	SpeedType:	Purpose:	Category:	Account:	Dept ID:		DGSY175111 - R/E STATE GEOLOGIST ACTIVITY	DGSY175111 - R/E STATE GEOLOGIST ACTIVITY	41100 - LABORATORY SUPPLIES	140600 - LABORATORY SUPPLIES	07501 - DE GEOLOGICAL SURVEY	\$7,262.10	Fund:	Program:	Project ID/Grant:	Project End Date:			OPBAL - OPERATING BALANCE	PUBSV - PUBLIC SERVICE	UNIV31291114000 - SVC CTR SUBJECT TO FEDERAL REG	12/31/2050			Chartfield total					\$23,894.10	\$23,894.10
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# Unique Sponsor Restrictions

## Sponsor Responsibilities

- Review all incurred costs for: Reasonableness, Allowability, and **Allocability**
- Maintain accountability for the expenditure of public funds
- Ensure that claimed amounts are used to meet project objectives and goals

## Actions Sponsor will take on invoices

### Pay in Full

- All supporting documentation was included
- Costs claimed are allowable under the award

### Questions

- Will ask questions about cost and/or documentation
- Performers are asked to respond within the timeframe provided

### Pay in Part

- Pay as much of the invoice that is allowable
- Performer can address short-paid costs on a future invoice

### Reject

- Invoice is inadequate
- Amount claimed is not supported by source documentation submitted

# Allocation FAQs: REUs

- The NSF Research Experiences for Undergraduates (REU) program supports research participation by undergraduate students
- What can be allocated as REU costs:
  - Stipends for conference/workshops or other short term educational training
    - Both salary and participant support for the same individual cannot be allocated
    - Non-UD students may participate
  - Travel allowances and registrations fees in connection with the educational training

# Allocation FAQs: REUs

- The use of the REU account number 148100 will be discontinued
  - For most instances, use of account codes designated for Participant Support Costs is an appropriate replacement:
    - 146100 – Participant Support – Non-Employees
    - 146115 – Participant Support – Students
    - 146190 – Participant Support – Other Vendors (including travel)
  - Consult C&Gs to determine the correct account code(s) to budget and allocate charges to moving forward

# Allocation FAQs: Tuition

- UD Grad Tuition Policy: excluding exceptions to the policy, graduate tuition will be direct charged to all grants and contracts at a rate of 20%
  - Only the tuition of graduate students who worked on the project may be charged
  - Position account codes the policy applies to:
    - 122600 GRADUATE ASSISTANT (O/H CHARGE)
    - 122610 GRADUATE TRAINEES
    - 122700 GRADUATE FELLOW
    - 126900 GRAD STDT-ENROLLED < 1/2 TIME
  - Only graduate students that work on projects during the fall (September – December) and spring (February – May) semesters are subject to this policy

# Allocation FAQs: Travel

- Uniform Guidance § 200.474: Costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs or a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip and results in charges consistent with those normally allowed in like circumstances in the non-federal entity's non-federally-funded activities and in accordance with non-Federal entity's written travel reimbursement policies.
- Travel is reviewed at post-award/closeout for allowability and allocability

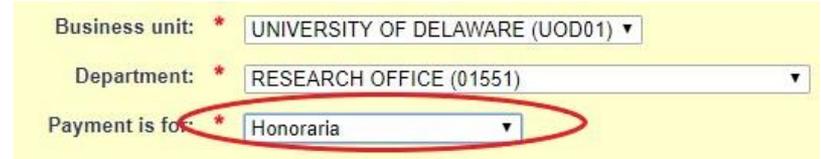
# Allocation FAQs: Travel

- Travelers should have a direct benefit to the project (ex. attending a conference to present research results)
- Splitting the cost of travel among more than award requires documentation of the allocability to each, which should also outline how the split allocation was determined
- With a variety of travel expenses being incurred at different points in time, please be mindful of how the trip ends up being allocated in totality

# Allocation FAQs:

## Honoraria to Reimburse Non-Employee Travel

- Honoraria: payment for services that are rendered normally without charge
- Potentially problematic on sponsored projects
  - NIH Grants Policy Statement
    - 14.10.2 Unallowable Costs
      - **Honoraria** or other payments given for the purpose of conferring distinction or to symbolize respect, esteem, or admiration **may not be paid from grant funds.**
- Under IRS regulations, honoraria payments are considered taxable income
- **RECOMMENDED OPTIONS FOR NON-EMPLOYEE TRAVEL**
  - UD Credit Card
  - Webform: FIN Request for Payment to Individual - Non-Employee Travel Expenses



Business unit: \* UNIVERSITY OF DELAWARE (UOD01) ▼  
Department: \* RESEARCH OFFICE (01551) ▼  
Payment is for: \* Honoraria ▼

Questions?