

GRANT MANAGERS BROWN BAG

ALLOWABLE, REASONABLE ALLOCABLE AND DOCUMENTED

THE PRIMARY RESPONSIBILITIES OF THE PROJECT DIRECTOR

SEPTEMBER 2025



WHY THIS TOPIC?

- No standard Project Director job description
- Roles and responsibilities are not always clear here
- Grants are not always adequately staffed
- Identified in the CFRs as a specific responsibility of the Project Director and the grantee
- Business and Grants offices field a lot of questions from project teams
- Increased scrutiny around grant decision making and activities, particularly at the federal level
- Identified in the CFRs as a specific responsibility of the Project Director and the grantee



CODE OF FEDERAL REGULATIONS

eCFR :: 2 CFR Part 200 Subpart E -- Cost Principles

- 200.403 – Allowability of Costs
- 200.404 – Reasonable Costs
- 200.405 – Allocable Costs



Code of Federal Regulations

A point in time eCFR system



ALLOWABLE - DEFINITION

- Necessary and reasonable;
- Conform to limitations or exclusions set forth in the federal grant agreement;
- Consistent with other local, state, and federal policies and procedures;
- Be treated consistently within the organization;
- Aligned with generally accepted accounting principles; and
- Be adequately documented.

A Review of the Allowability of Costs

Typical Allowable Costs	Typical Unallowable Costs and Activities
<ul style="list-style-type: none">• Salaries and benefits for employees who work directly on the sponsored award• Supplies and materials used in the performance of the sponsored project including computing devices < \$5,000 that are essential and allocable to the performance of the award• Travel associated with the project or presenting results of the project• Equipment• Consultants• Subawards• Laboratory fees and patient care costs• F&A (Overhead or Indirect Costs)	<ul style="list-style-type: none">• Alcoholic beverages• Alumni/ae activities• Bad debt, losses, collection and related legal costs• Commencement and convocation• Contingency provisions• Donations and contributions• Entertainment costs• Fines and penalties• Fund raising and investment costs• Housing and personal living costs• Lobbying• Losses on sponsored awards

REASONABLE - DEFINITION

- Is the cost generally recognized as ordinary and necessary to achieve grant goals and objectives?
- Has the organization used sound business practices, arm's length bargaining, federal state, local, and other laws and regulations, and terms and condition of the award to secure the purchase?
- Is the price grounded in market prices for the geographic area?
- Does the cost deviate from grantee policy and procedure?

**What would a
prudent person do?**

PRUDENCE

Characteristics of Prudent Decision Making and Spending

- Engage in careful, thoughtful, and responsible planning
- Evaluate potential consequences, considering both short-term and long-term impacts
- Research options, assess risk and take steps to mitigate those risks
- Act in the best interest of constituent groups, including students, faculty, programs, AND taxpayers
- Manage the project and the funds as you would manage your own affairs
- Act in accordance with the law and ethical guidelines; fulfill fiduciary duties with care and diligence

ALLOCABLE - DEFINITION

A cost is allocable if it meets one of the following:

- 1) Direct cost that fully supports the grant activity;
- 2) Direct cost that benefits the grant activity and other institutional activities but can be distributed across cost objectives using reasonable methods;
- 3) Indirect cost that is necessary for the overall operation of the project and the institution and can be distributed across cost objectives based on an indirect cost agreement or cost allocation plan.

Proportionality

PROJECT DIRECTOR RESPONSIBILITIES

Three Key Functions

- 1) Authorize expenditures
- 2) Review and approve expenditures
- 3) Document expenditures



WHO IS THE PROJECT DIRECTOR?

- The person identified in the Grant Award Agreement as the Project Director
- Project Director responsibilities should not be passed on to another person
- Challenges
 - Insufficient time to manage grant
 - Grant agreement identifies the wrong person



RESPONSIBILITY #1: AUTHORIZATION

- 1) Consider allowable, reasonable, and allocable prior to authorizing an expense
 - 1) Reference the approved Statement of Work and Budget
 - 2) Review funder requirements on allowability and budget revisions
 - 3) Seek assistance if necessary
- 2) Be aware of what you are buying and the full cost of that purchase
- 3) Enter the authorized expense in your internal budget monitoring system

RESPONSIBILITY #2: REVIEW AND APPROVAL

Review and approve all expenses for allowability, reasonableness, and allocability:

1) Prior to payment if possible

- Time and Effort Reports
- Timesheets
- Travel Reimbursement Requests
- Receipts for Materials and Supplies
- Invoices for Services

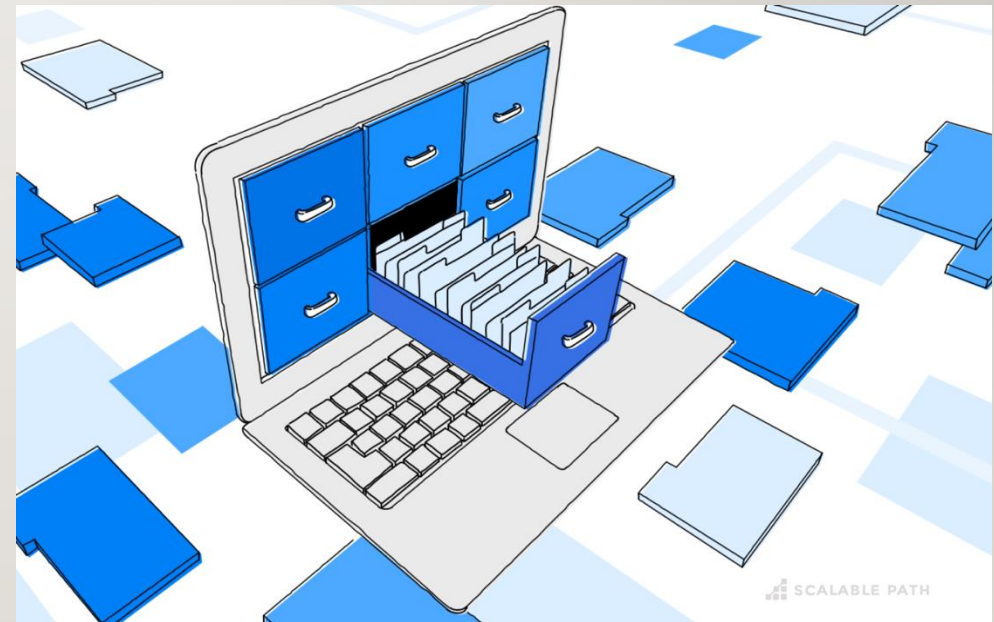
2) In Galaxy on a monthly basis; correct errors immediately



SAP Concur Travel
and Expense

RESPONSIBILITY #3: DOCUMENTATION

- Documentation supports the grant expense and confirms allowability, reasonableness, and allocability
- Each expense should be adequately documented
- Documentation shall be stored in the project office



EXPENSE AND RELATED DOCUMENTATION

Personnel Expenses

- Full Time Salaried Employees – Time & Effort Report
- Hourly Employees, including Students – RCCD Timesheets
- Faculty Special Projects
 - Project Based: Request Form and Final Report/Proof of Completion
 - Hourly Based: Request Form and Timesheet

NOTE: Benefits follow Salary – it is unnecessary to document Benefits unless requested by funder



EXPENSE AND RELATED DOCUMENTATION

Travel

- Concur Request Form
- Board Item (if necessary)
- Concur Reimbursement Form, including all back-up documentation

Recommended Documentation:

- Travel Justification Form and/or Communication that relates travel to goals and objectives of grant



[This Photo](#) by Unknown Author is licensed under [CC BY](#)

EXPENSE AND RELATED DOCUMENTATION

Equipment, Supplies, and Materials

- Purchase Order
- Approved Vendor Invoice
- Communication that documents relevance of purchase to grant goals and activities

NOTE: Project Director should also maintain documentation regarding the location of grant-funded equipment, utilizing internal process and/or RCCD inventory process



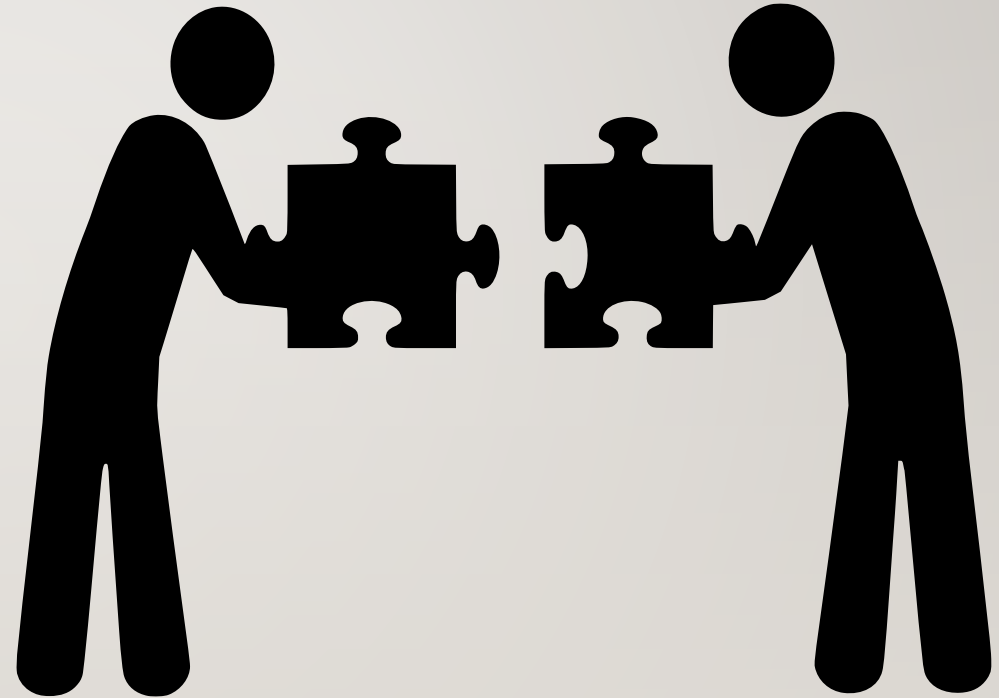
This Photo by Unknown Author is licensed under [CC BY-SA](#)

EXPENSE AND RELATED DOCUMENTATION

Services (including Consultants)

- Purchase Order or Contract
- Scope of Work, including Budget and Invoicing Requirements
- Approved Invoice(s)
- Communication with vendor supporting Scope of Work and Cost relevant to grant goals and activities

NOTE: Completion of the Contractor vs. Subaward Form is recommended if the original grant application did not include a subrecipient



EXPENSE AND RELATED DOCUMENTATION

Subaward

- Purchase Order
- Signed Subrecipient Agreement, including Statement of Work and Budget
- Approved Invoice(s) with documentation for all expenses
- Performance/Monitoring Report(s) as outlined in Agreement

NOTE: Completion of the Contractor vs. Subaward Form is recommended if the original grant application did not include a subrecipient



ADDITIONAL THOUGHTS

- Grant and Budget teams are not responsible for researching and determining allowability, reasonableness, and allocability
- Grant and Budget teams are here to assist but unless a cost is blatantly illegal or unallowable, it is the responsibility of the Project Director to determine and approve all costs



QUESTIONS???

