

## **Allowable Use of Funds**

Colorado Springs School District 11 (the District) shall adhere to all applicable cost principles governing the use of federal and non-federal grants and contracts. This policy addresses the importance of properly classifying costs, both direct and indirect, charged to grant funded projects and that proposed and actual expenditures are consistent with the grant agreement and all applicable federal Office of Management and Budget (OMB) Circulars. District personnel who are responsible for administering, expending or monitoring grant funded programs should be well versed with the categories of costs that are generally allowable and unallowable.

### **Reason**

A large portion of financial support for the District comes from the federal government. This funding is in the form of direct support for District programs and often includes reimbursement for indirect costs. Federal OMB **2 CFR Section 200.414** identifies the criteria that must be met in order to properly charge these costs to federally funded projects.

Individual non-federal awards may also include special terms and conditions that must be met before costs can be charged or reimbursed, which must also be considered before allocating certain costs to the award.

### **Requirements**

All costs expended using federal funds must meet the following general criteria laid forth in **2 CFR Section 200.404-405**:

- Be **necessary and reasonable** for the proper and efficient performance and administration of the grant program.
- Be **allocable** to federal awards under the provisions of the federal circular.
- Be authorized and not prohibited under state or local laws or regulations.
- Conform to any limitations or exclusions set forth in the principles, federal laws, terms and conditions of the federal award, or other governing regulations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities of the District.
- Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost and also be charged to a federal award as an indirect cost.
- Except as otherwise provided for in the federal circular, be determined in accordance with generally accepted accounting principles.
- Not included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period.
- Be net of all applicable credits.
- Be adequately documented.

The cost guidelines of federal OMB 2 CFR Section 200 must be considered any time federal award funds are to be expended. The District may apply federal OMB 2 CFR Section 200 requirements to non-federal projects as well.

Federal regulations also require that any other District policies related to specific types of expenditures must also be followed, for example student incentives, travel, meals or equipment.

Adopted March 18, 2015  
Reviewed August 26, 2020

LEGAL REF.: 2 CFR § 200

CROSS REFS.: DD, Grants – Pre-Award Planning and Budgeting  
DD-R-1, Cost Sharing/Matching  
DD-R-2, Supplantation  
DD-E-1, Internal Intent to Apply form  
DD-E-2, External Intent to Apply form  
DE, Grants - Post Award Expenditures/Disbursements  
DE-R-2, Time and Effort  
DE-R-3, Indirect Costs  
DE-R-4, Audit/Audit Resolution  
DE-R-5, Grant Reporting  
DE-E-1, Time and Effort form – Single Cost Objective  
DE-E-2, Time and Effort form – Partial Payment  
DE-E-3, Time and Effort form – Multiple Cost Objectives  
LC, Research Projects, Studies, Experiments, and Surveys