

# Navigating Post-Award Allowability

Liz Grinstead  
Rashonda Harris  
Amy Ossola-Phillips  
Tim Reuter

# What is Allowability



# Key Criteria of Allowability

## **Reasonable**

The cost must reflect what a prudent person would incur in similar circumstances.

## **Allocable**

The cost must directly benefit the project or program and be chargeable in proportion to the benefit received.

## **Consistent**

The cost must be treated consistently across all funding sources, ensuring no double-charging.

## **Conform to Cost Principles**

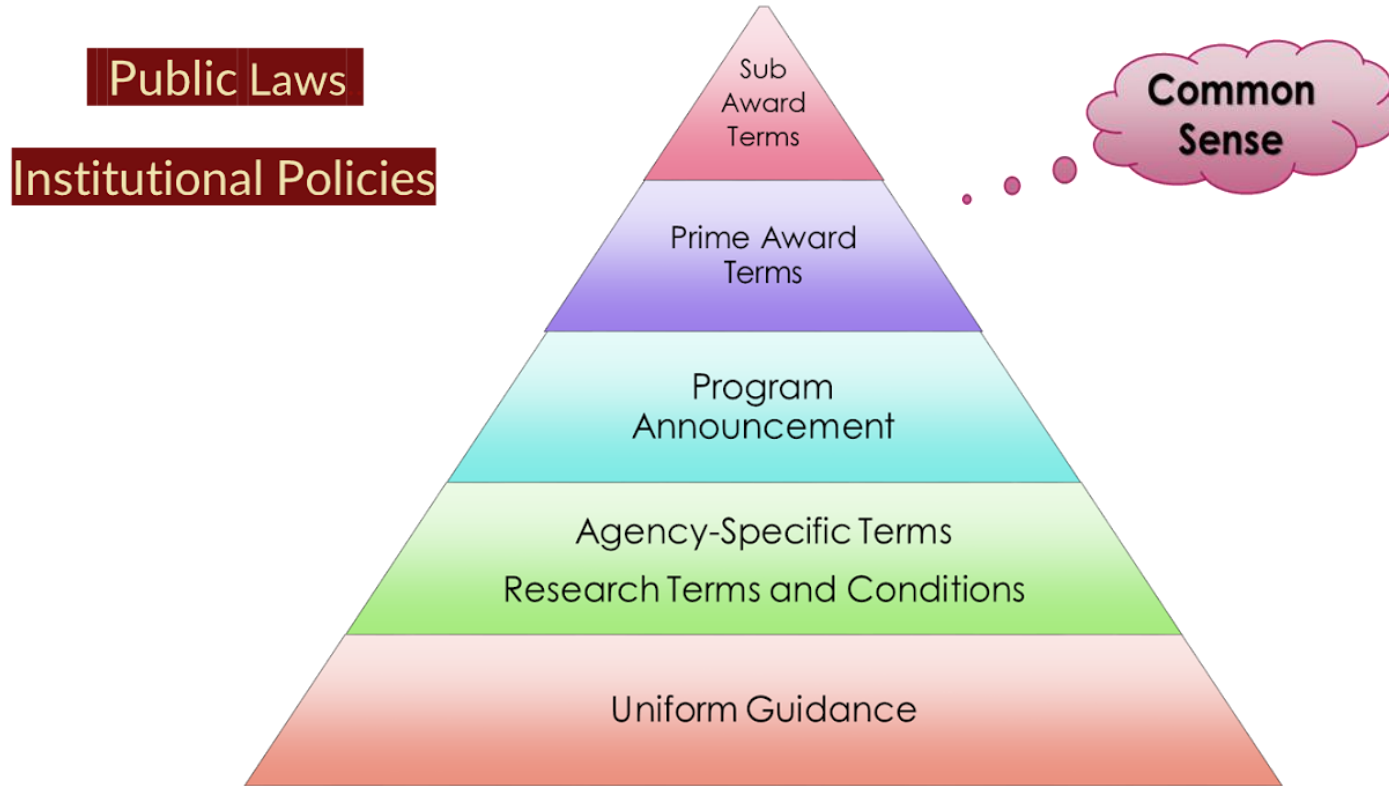
Costs must comply with the relevant cost principles, such as those outlined in 2 CFR Part 200 (Uniform Guidance for federal grants) or specific sponsor terms in the agreement or other official documents

## **Not Prohibited by Terms of Grant**

The cost must not be specifically prohibited by the terms of the grant or any restrictions set by the funding agency

# Order of Precedence

With Permission of Denise Clark and Ann Holmes, Univ of Maryland College Park



# Common Sense and Critical Thinking

- Remember – just because the PI or the researcher says to charge the project does not make the charge allowable!
  - Let the person charging help explain WHY they think it is allowable
  - Provides additional insight and can help foster understanding and conversation
  - Take ownership of reviewing and RAISE QUESTIONS if you have them

# Direct Costs - refer to UG §200.413

- **General.** Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs. See also [§ 200.405](#).
- **(b)** Application to Federal awards.
- Identification with the Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect (F&A) costs of Federal awards.

Allowable Costs are charges for goods or services that are permitted on a sponsored award, agreement, contract, or grant. In other words, these costs are in compliance with your institution's policies and procedures, the sponsor's terms and conditions, and Federal regulations, and therefore the allowable costs may be paid from the sponsor's funds...

# ALLOWABLE

# UN-Allowable

Charging unallowable costs to the award due to

- Not understanding the Order of Precedence
- Not reading the terms and conditions for the agency, program, or individual award
- Not following your institutional policies



# Let's talk Uniform Guidance



# § 200.403 Factors affecting allowability of costs.

Except where otherwise authorized by statute, costs must meet the following criteria to be allowable under Federal awards:

- (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 recipient or subrecipient.
- (d) Be accorded **consistent treatment**. For example, a cost must not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for State and local governments and Indian Tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing requirements of any other federally-financed program in either the current or a prior period. See [§ 200.306\(b\)](#).
- (g) Be adequately **documented**. See [§§ 200.300](#) through [200.309](#).
- (h) Administrative closeout costs may be incurred until the due date of the final report(s). If incurred, these costs must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award unless otherwise specified by the Federal agency. All other costs must be incurred during the approved budget period. At its discretion, the Federal agency is authorized to waive prior written approvals to carry forward unobligated balances to subsequent budget periods. See [§ 200.308\(g\)\(3\)](#).

# Unallowable is an easier list

Subpart E of the UG – Cost Principles provides a detailed listing of items that are typically allowable and unallowable. Examples of costs normally considered unallowable include:

- Advertising and public relations
- Alcoholic beverages
- Convocations or other events related to instruction
- Donations
- Entertainment
- Fines and penalties
- Fully depreciated assets or assets gifted by the federal government
- General purpose equipment, buildings, and land
- Housing and personal living expenses
- Insurance and indemnification
- Legal costs
- Lobbying
- Memberships in any civic or community organization
- Royalties or patents

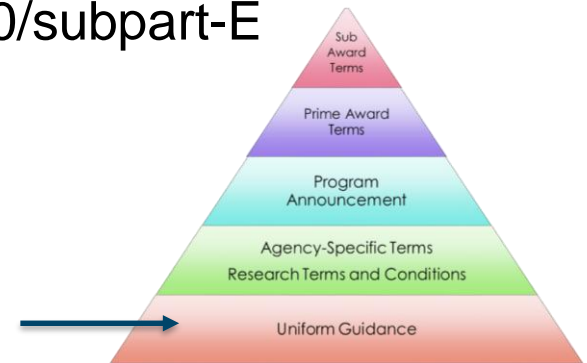
# Uniform Guidance § 200.420

## Considerations for selected items of cost.

### Starting at § 200.420 – 476

...provides principles to be applied in establishing the allowability of certain items involved in determining cost...

<http://ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E>



# Agency Specific Terms

## NIH Grants Policy Statement (GPS)

### 7.9.1 Selected Items of Cost

[https://grants.nih.gov/grants/policy/nihgps/html5/section\\_7/7.9\\_allowability\\_of\\_costs\\_activities.htm](https://grants.nih.gov/grants/policy/nihgps/html5/section_7/7.9_allowability_of_costs_activities.htm)

## NSF Proposal & Award Policies & Procedures Guide (PAPPG)

### Chapter X: Allowability of Costs

<https://www.nsf.gov/policies/pappg/24-1/ch-10-allowability-of-costs>



# Program Announcement Example

PAR-25-356

<https://grants.nih.gov/grants/guide/pa-files/PAR-25-356.html>

## Other Award Budget Information

### Stipends, Tuition, and Fees

Ruth L. Kirschstein-NRSA awards provide stipends as a subsistence allowance to help defray living expenses during the research training experience.

NIH will contribute to the combined cost of tuition and fees at the rate in place at the time of award.

Stipend levels, as well as funding amounts for tuition and fees and the institutional allowance are announced annually in the *NIH Guide for Grants and Contracts*, and are also posted on the Ruth L. Kirschstein National Research Service Award (NRSA) [webpage](#).

### Trainee Travel

Travel for trainees to attend scientific meetings and workshops that the institution determines to be necessary for the individual's research training experience is an allowable expense for predoctoral and postdoctoral trainees. This includes trainees on short-term appointments. Trainees must be appointed to the training grant at the time of the actual travel for this to be an allowable cost.

Trainee travel to attend scientific meetings may be requested up to \$1,400 per trainee per year. If the institution determines that specialized off-site training is necessary for the individual's training experience, additional funding may be requested with strong justification.

For short-term trainees, the NIH awarding component may provide grant funds to cover the costs of trainee travel, including attendance at scientific meetings, which the organization determines is necessary to the individual's training. Trainees must be appointed to the training grant at the time of the actual travel for this to be an allowable cost.

### Training Related Expenses

NIH will provide funds to help defray other research training expenses, such as health insurance, staff salaries, consultant costs, mentor training activities, equipment, research supplies, and faculty/staff travel directly related to the research training program. The most recent levels of training related expenses are announced annually in the *NIH Guide for Grants and Contracts*, and are also posted on the Ruth L. Kirschstein National Research Service Award (NRSA) [webpage](#).



# Sample Foundation Award Term - Allowability

A non-exclusive list of non-allowable costs includes:

- Lobbying: [REDACTED] grant funds may not be used for lobbying purposes of any kind.
- Tuition and registration fees
- General office supplies/equipment
- Computers\*
- Administrative assistance costs
- Financial Analyst, Accountant cost
- Rent
- Office telecommunications
- Advertising costs
- Patent applications
- Indirect cost for fee-for services, consultants, and contractors

[REDACTED] *Postdoctoral Fellows are permitted to purchase a personal computer (up to USD\$2,000) using funds within their research allowance.*



# Sample Foundation Award Term - Allowability

The [REDACTED] Award provides \$10,000 for professional development and incidental research-related expenses (***“Research Expenses”***), paid out on a schedule provided in the accompanying Timeline. These expenses must be incurred between the project dates indicated in the research agreement. Allowable Research Expenses include: travel to project-related conferences (including registration fees for virtual or in person conferences); personal computers; study or training materials, and non-personnel costs related to the research project. Research project costs may include shipping or storage fees, supplies, and payments to institutional offices, vendors, or contractors for itemized services related to the execution of the research project, as long as these costs are not considered salary. Professional development expenses may also include membership fees to relevant organizations for biomedical research professionals (ASH,





# Sample Foundation Award Term - Allowability

## 9. PROJECT SUPPORT EXPENDITURES

██████████ grant funds may not be used for the purchase of furniture or computers, repair or service contracts, institutional equipment, the construction or renovation of facilities, payment of honoraria or membership dues, tuition for either the awardee or other project personnel, the purchase of textbooks or periodicals, or payment for secretarial support.



# HOW DO I LEARN ABOUT ALLOWABILITY

# Learning by Doing



Engage in a mock review of real-life scenarios to assess cost allowability under federal guidelines



Practice developing a justification for cost allowability using case studies



Participate in a collaborative activity to identify allowable and unallowable costs within a sample grant budget



Work through troubleshooting exercises for resolving common post-award allowability challenges

example: cost transfers or late charges

# Learning with Experiences



Discuss real-world examples of successful resolutions to allowability disputes and lessons learned



Share strategies and tools for balance compliance with institutional flexibility



Explore participant-submitted scenarios during the “After the Show”



Reflect on practical tips for collaborating with principal investigators and finance teams

# Diving into Allowability



# My favorite color is GREY; My favorite response is *IT DEPENDS*

## My happy place is Black and White

Grey areas in research administration are where policies, ethics, and practical considerations don't have clear-cut answers.

"It depends" is often the best response because decisions are highly contextual.

# Examples of Common Grey Areas

## Meals & Entertainment

1. **Allowable:** Meals for project-related meetings when explicitly justified.
2. **Grey Area:** Working dinners for research teams—scientific discussion vs. social gathering?
3. **Unallowable:** Alcohol and entertainment **UNLESS** specifically approved by sponsor.

## Materials & Supplies

1. **Office Supplies** – When are they essential for a project vs. part of general administrative costs?
2. **Lab Animals & Specimens** – Costs for acquiring vs. maintaining—what's directly chargeable?
3. **Food & Beverages** – Allowable for research purposes (e.g., dietary studies) but unallowable for general meetings?

# Best Practices for Managing GREY Areas



**Consult Guidelines:** Always review the guidelines and policies – even when you are familiar with the sponsor/award mechanism



**When in Doubt – Reach out:** Never be afraid to consult your colleges, leader/mentor or research administration teams



**Document Everything:** Always ensure there is proper documentation when in the GREY areas – the documentation should tell the story of how the expense was approved



# Charging to the Award



## Short and Concise Explanations

- **Keep it Simple and Sweet (KISS) Concept**
  - **Oversharing – Errors and Justification Limits**
  - **Telling Enough Truth**

# Keep it Simple and Sweet (KISS)

## Make Documentation Clear, Concise, and Useful

- Keep it short
  - Some documentation formats limit the number of characters allowed. Use this as your guide to keep it short
- Do not overshare information
  - Oversharing could divert the point of the documentation
- Tell enough truth
  - Document the information needed for anyone to understand



**Always be kind to your future self.**

# Balancing Institutional Policies and Sponsor Guidelines

Both institutional policies and research administration share a focus on establishing clear guidelines and procedures to ensure compliance with regulations, manage risks, and promote ethical conduct

Balancing institutional policy with sponsor-specific guidelines requires alignment to institutional goals while ensuring effective research administration

# Internal Controls

Examples of internal controls to assist with allowability

## Segregation of Duties

- Assigning one team member to initiate cost transfers and another to approve

## Proper Review and Approval Processes

- Implementing a two-step review for purchasing card transactions to ensure alignment with sponsor terms

## Periodic Reconciliations

- Conducting monthly budget-to-actual reviews to identify unallowable expenses or discrepancies in effort reporting

## Track and manage expenses

- Using grant management software to flag expenses that exceed budgeted amounts

# Internal Controls

- Internal Control Failures:**

*Example:* A failure to track cost-sharing obligations resulted in non-compliance; corrective actions included mandatory quarterly reporting and additional training.

- Developing and Implementing Policies:**

*Example:* Creating a policy requiring prior approval for all equipment purchases over \$5,000 to align with Uniform Guidance.

- Conducting Internal Audits:**

*Example:* An internal audit revealed inconsistent documentation for participant support costs, leading to improved training and standardized templates.

- Staff Training and Communication:**

*Example:* Hosting quarterly workshops for research staff on identifying unallowable costs, using real-life scenarios for practice.

# Case Studies and Lessons Learned



# Travel Compliance Dilemma: Navigating Policy Violations and Ethical Risks

## Scenario Summary

- PI traveled to Ireland for a conference with a **Personal Assistant (PA)** (later revealed as his wife).
- **Extended Stay:** Arrived **3 days early**, stayed **2 days after** the conference.
- **Luxury Upgrades:** Upgraded **flight, hotel (ocean view), and meals** for an anniversary celebration.
- **Non-Attendance:** Did not attend the conference but still submitted expenses for reimbursement.
- **Threatening Behavior:** Demanded payment, refused discussion, and **threatened** the research administrator.

## Key Compliance Issues

- ⚠ **Allowable Costs** – Expenses must be **reasonable, necessary, and conference-related**.
- ⚠ **Conflict of Interest** – **Spouse as PA** raises ethical and compliance concerns.
- ⚠ **Conference Attendance** – Failure to attend negates the justification for funding.
- ⚠ **Threats & Ethics** – Coercion violates institutional and professional standards.
- ⚠ **Institutional & Federal Compliance** – Violations risk financial penalties & reputational harm.

# Advising Dr. Snuffleupagus on Charging Graduate Student Tuition

Dr. Snuffleupagus has two research projects:

1. NIH R01 grant (federal funding)
2. Foundation grant (private funding)

He wants to charge both graduate students' time and tuition directly to each project. However, the foundation grant explicitly states that tuition is unallowable.

- Can he charge all of the tuition for both grad students to the NIH R01?
- Can he charge tuition to the foundation grant?
- How do you advise Dr. Snuffleupagus?





# Allowability of Animal Care Costs in a Federal Grant



- Dr. Fozzie Bear is in the third year of a five-year federally funded research project. The original proposal did not include any animal work, and therefore, no Institutional Animal Care and Use Committee (IACUC) protocols were submitted or approved. In year three, Dr. Fozzie Bear requests to charge the costs of purchasing and caring for animals to the grant. When questioned, he states that the research has evolved, requiring a change in scope, but this change has not yet been reviewed or approved by the federal funding agency.
  - Is the cost of animal care and procurement currently allowable?
  - Would the allowability change if the funding agency approves the scope change and IACUC approval is obtained?
  - How do you advise Dr. Fozzie Bear?

# Case Study – Advertising

- Dr. Big Bird receives a federal grant from the U.S. Department of Transportation (DOT) to improve public transportation infrastructure. Dr. Big Bird submits a budget that includes the following expenses:
  - **Engineering consultant fees** for planning new bus routes
  - **Purchase of electric buses** for the city's transit fleet
  - **Advertising costs** to promote the new bus routes
- Are these costs all allowable?
  - § 200.421 Advertising and public relations

# Case Study – Navigating a Grey Area in Research Administration

A principal investigator (PI) at a university receives a \$500,000 research grant from a private foundation to study the effects of a new public health intervention. The grant agreement specifies that funds must be used strictly for direct research costs. However, the agreement does not define “direct research costs” in detail.

Midway through the project, the PI approaches the research administrator (RA), with three funding requests:

1. \$10,000 for travel and registration fees to attend multiple conferences where preliminary findings will be presented.
2. \$50,000 to upgrade lab equipment that would improve research but was not originally budgeted.
3. Reallocate \$20,000 to fund an additional graduate research assistant, arguing that extra support would enhance the project's outcomes.

The PI pressures the RA to approve the requests without consulting the foundation, arguing that it aligns with the research goals and that delays could hinder progress. The PI also mentions that other researchers in the field have made similar budget adjustments without issue.

What should the RA do?

- Deny the request, as these items are not explicitly included
- Approve the request, arguing that all are necessary to complete the project
- Contact the foundation for guidance, which might delay the process and upset the PI

# Case Study – Multiple Fellowships

A post doc is working on a NIH NRSA Fellowship with a budget period 10/1/24 – 9/30/25. She was just awarded 2nd fellowship for the period 6/1/25 – 5/31/26. Due to the high cost of living in the Bay area, the post doc also works part-time on her mentor's NIH award. The PI wants her paid a salary on the NRSA award and his NIH grant so the fellow can accumulate vacation time.

What requirements do the fellowships have?

1. Where do you look for answers?
2. Hours per week a NRSA fellows must work?
3. What organization is sponsoring the 2<sup>nd</sup> fellowship – your institution or external, i.e. Health Organization or Foundation?
4. What is the time commitment for the 2<sup>nd</sup> fellowship?
5. Can the fellow be paid a salary or stipend on both?
6. Can the post doc request a delayed start date of 10/1/25 for the second fellowship?

The PI is a world-renowned researcher and states he has had fellows with multiple fellowships for years. The PI pressures the RA to allow the fellow to hold both fellowships concurrently and to pay her a salary for 15 hours a week on his NIH grant. The PI want you to pay the fellow a salary on the NRSA award so the fellow can accumulate vacation time.

What should the RA do?

1. **BE PROACTIVE!!! Investigate, read the award. Do not recreate the wheel.**
2. Deny the request and follow NRSA and 2<sup>nd</sup> fellowship sponsor requirements?
3. Approve the request, relying on the PI's experience?
4. Document PI's approval of employment on NIH Grant.
5. Contact the foundation for guidance, will they allow payment via stipend or salary?

# Case Study Multiple Fellowships

## NIH Grants Policy Statement-GPS

<https://grants.nih.gov/grants/policy/nihgps/HTML5/introduction.htm>

Chapter 11 covers NRSA Awards - subsection 11.2 – fellowships

11.2.7 - Fellows required Full-Time work, devoting 40 hrs/week

11.2.9.2 - Stipends - Fellows are paid a stipend and not salary.

11.2.9.3 - Stipend levels set annually. Fellow must be paid that amount

11.2.10.1 - Stipend Supplementation

11.2.10.2 - Compensation is allowed for work on another award, even an NIH award that does not support same research of fellow. Limited to 10 Hrs per/week. Fellow's mentor/PI sponsor must approve all instances of employment. Have written documentation in file.

# Case Study Multiple Fellowships

## Non-Federal Fellowships

Many Foundations and Health Organizations provide Fellowships

Your own Institution has fellowships with varying terms

Specifics terms to identify:

- Expected level of effort or hours to be worked per week
- Payment by Stipend or Salary
- What Benefits does the fellowship cover? Healthcare premiums or only a set dollar amount
- Is equipment allowed and if so when – Only is 1<sup>st</sup> year
- Is rebudgeting allowed

Thanks for attending!

Questions?  
Join us for After the Show!

