



Board of Trustees Policy

Allowability of Federal Costs Policy	SUBJECT:	NUMBER: 6.14
	DATE:	January 12, 2026 Resolution # 26-015
	SUPERSEDES:	NEW

Purpose

The purpose of this policy is to ensure that all costs charged to federally sponsored programs, including federal flow-through funds follow federal rules, match the approved budget, and receive proper internal review before funds are spent.

Policy

All federally sponsored expenditures must align with the program's approved budget. Any changes or deviations beyond those allowed by Federal cost principles require prior written approval from the funding agency.

Before federally sponsored funds are obligated or spent, the Project Director/Principal Investigator, Fiscal Director, Controller, and Executive Vice President of Administration & Finance must review proposed costs to confirm they are allowable. Approval of proposed costs will be clearly documented on the request.

All federally sponsored program costs must meet the standards in EDGAR, 2 CFR Part 3474, 2 CFR Part 200, Subpart E and any published standards issued by the sponsoring agency. Depending on annual federal and federal flow through expenditures, the College must perform a Federal single audit as required by 2 CFR Part 200 as part of the College's annual audit.

College administrators may use the *Quick Reference Guide: Allowable and Unallowable Costs for Federally Sponsored Projects* to support these decisions.