

Coastal Impact Assistance Program

Analysis of Cost and Cost Estimates

Coastal Impact Assistance Program

- Costs must be:
- Allocable
- Allowable
- Reasonable
- Necessary

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- Allocable:
 - A cost is allocable to a grant if the goods or services involved are chargeable to that grant in accordance with relative benefits received.
 - Any cost allocable to a particular Federal grant may not be charged to other Federal awards to overcome fund deficiencies or for other reasons.

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- Allowable means the cost:
- Meets criteria specified in federal cost principles (2 CFR 225 Appendix B at <http://www.gpoaccess.gov/cfr/index.html>)
- Is treated consistently as either a direct or indirect cost
- Was incurred during the period of performance of the award

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- Allowable also means:
 - Consistent to both Federal awards and other activities of the governmental unit.
 - Costs are adequately documented (keep documentation on hand for audits.)
 - Is net of all applicable credits

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- In addition, allowable also means the cost:
 - Is not being used as a cost share or match for another Federal award, unless specifically permitted by federal law or regulation.
 - CIAP law & regulation does not provide for this-so if this is possible it is because the other Federal Agency has a law or regulation that permits this.

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- And finally allowable means:
 - Is determined in accordance with GAAP (or Federal Cost Principles)
 - Authorized or not prohibited under state or local law
 - In conformance with applicable limits or exclusions (e.g. CIAP legislative limitation of 23% for AU 3 & 5)

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- A cost is considered reasonable if
 - In nature and amount it does not exceed what would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost
 - Compares to market prices for similar goods and services

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- A cost is also considered reasonable if
 - It is incurred using restraints and requirements imposed by factors such as accepted sound business practices and arms-length bargaining

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- A cost must also be
 - Necessary for award performance
 - Generally recognized as ordinary for organization's operation or award purpose

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Liquidation period:

- Liquidate all obligations incurred under the award and submit the final Standard Form SF-425 Federal Financial Report no later than 90 calendar days after the end of the grant performance period

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Remember-if you are still incurring costs you need to ask for an extension of the period of performance of the project. (30 days before the end of the performance period.)

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Pre-award costs:

- Reasonable estimates based on the budget and work accomplished before the award is made
- Can be updated prior to issuing award

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- If need to change pre-award costs: email PO and CO with change, break down of change and why
- CO will do amendment to grant needed to change pre-award costs.
- No need to go through Grants.gov unless the Statement of Work or award total changes

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- Forecasted cash needs:
 - Have been changed from quarterly to semi-annually
 - On non-construction applications can put on SF-424A
 - Construction applications: put in Project Narrative (no block on SF-424 C Budget-Construction)

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- **The End**