

Costs

The cost section deals with general allowability of costs. For specific cost information, refer to general funding guidelines for each specific federal program administered by OJA.

Determination of Allowability. To be allowable under a grant program, costs must meet the following general criteria:

- Be necessary and reasonable for proper and efficient administration of the grant programs
- Be allocable to federal awards under the provisions of the applicable circular
- Be authorized or not prohibited under state or local laws or regulations
- Conform to any limitations or exclusions set forth in these principles, federal laws, terms and conditions of the grant 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 governmental unit
- Be accorded consistent treatment. A cost may 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
- Be determined in accordance with generally accepted accounting principles
- Not be 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, except as specifically provided by Federal law or regulation.
- Be net of all applicable credits
- Be adequately documented.
- Be paid, or obligated, for services provided during the grant period
- Be paid, if obligated by the end of the grant period, within 60 days of the grant period ending date

Allowable Costs. Allowable costs are those costs identified in the circulars mentioned below, in addition to program guidelines that may be more specific. In addition, costs must be reasonable, allocable, necessary to the project, and comply with the funding requirements.

- ❖ [OMB Circular A-87: Cost Principles for State and Local Units of Governments](#)
- ❖ [OMB Circular A-122: Cost Principles for Non-Profit Organizations](#)
- ❖ [OMB Circular A-21: Cost principles for Educational Institutions](#)

Publications. All written, visual, or audio materials publicizing or resulting from award activities shall contain an acknowledgement of the awarding agency assistance. An acknowledgement of support shall be made through use of the following or comparable footnote: "This project was supported by Award No. _____ awarded by the (**name of specific office/bureau**), Office of Justice Programs." If the awarding agency is not OJP, language should reflect the proper agency name.

Costs Requiring Prior Approval:

- Pre-Agreement Costs: Prior approval is required for pre-agreement costs.
- Indirect Costs: If allowed under specific program guidelines, a copy of the Cost Agreement should be submitted to OJA.
- Consultant Rates: Compensation for individual consultant services is to be reasonable and consistent with that paid for similar services in the marketplace. Consideration will be given to compensation including fringe benefits for those individuals whose employers do not provide the same. In addition, when the rate exceeds \$450 (excluding travel and subsistence costs) for an eight-hour day, a written PRIOR APPROVAL is required from OJA. Prior approval requests require additional justification. An eight-hour day may include preparation, evaluation, and travel time in addition to the time required for actual performance. Please note, however, that this does not mean that the rate can or should be \$450 for all consultants. Rates should be developed and reviewed on a case-by-case basis and must be reasonable and allowable in accordance with OMB cost principles. Approval of consultant rates, in excess of \$450 a day, that are part of the original application with appropriate justification and supporting data will be approved on a case-by-case basis. If consultants are hired through a competitive bidding process (not sole source), the \$450 threshold does not apply.