Cost Principles

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§ 200.413 Direct costs.

(a) 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.

- Personnel
- Equipment
- Travel
- Supplies
Cost Principles

- Necessary
- Reasonable
- Allocable
- Consistently Treated
Necessary

- Necessary to the performance of the scope of work

- Are batting cages necessary?
- Nail polish?
- Beer kegs?
Reasonable

- Represents the actions of a prudent person
  - Shrewd in the management of practical affairs; frugal
  - Sound business practices
  - Market prices
  - Arm’s length bargaining
Allocable

- Distributed based on the proportionate benefit to each project(s) being charged
- Must be able to document allocation methodology
- Allocations among four or more projects may indicate an indirect cost versus a direct cost
UF Cost Accounting Standards Policy

- Applies to all federally funded awards
- Consistent treatment of costs incurred for the same purpose in like circumstances
- Unlike circumstances
  - Costs that are normally treated as indirect costs, are treated as direct costs
Consistently Treated

Costs Normally Treated as Indirect Costs

- Administrative & Clerical Salaries
- Computer Supplies
- Computers & Mobile Devices
- Memberships & Dues
- Postage
- Office Supplies
- Audio Visual Devices
- Local Telephone
- Computer Software
- Subscriptions

- Utilities
- Office Equipment
- Vehicles & Transportation
- Professional Licenses
- Uniforms
- Photocopying

Fixed price agreements will automatically receive CAS exemptions for the costs in the left column.
Consistently Treated

Costs Normally Treated as Unallowable

› Entertainment
› Event Tickets
› Awards and Commendations
› Food and Beverage
Cost Principles

- Must be documented in UF’s system with invoices and receipts
- For travel and other non-salary items support should
  - Clearly identify benefit to the award(s) being charged
  - Provide method of allocation if charges are split among more than one award