

# CITRUS COLLEGE

## STANDARD OPERATING PROCEDURE FOR ALLOWABLE COSTS

1. The Director of Fiscal Services, Associate Director of Fiscal Services or designated accountant(s) is tasked with creating the operating budget and making changes for each program, as necessary.
2. The Director, Associate Director or designated accountant(s) is tasked with verifying the cost elements incurred for each Federal program are necessary, reasonable and allocable, and consistent with the Uniform Grant Guidance cost principles described in CFR 200.400-475. This includes costs charged to the award for personnel. It is also required that cost elements in the budget are consistent with amounts reflected in the general ledger.

The cost elements for the Federal programs are obtained from the Program Manager/Principal Investigator (PI) assigned to the project. It is the Program Manager's responsibility to ensure that the projected costs are within the Federal guidelines. If unsure, these should be followed up with the Department of Public Information (DPI) prior to submitting to Fiscal Services. All costs should be consistent with the terms and conditions of the federal award. Any unallowable costs will not be charged to the project and will be transferred to an alternative funding source such as a departmental budget within the unrestricted general fund or other allowable special program/fund/source.

3. It is the responsibility of the Program Manager/Principal Investigator (PI) to ensure all expenditures meet the requirements of the grantor/sponsoring agency. If cost changes are needed within the program, the Program Manager will provide the necessary information to Fiscal Services within 60 days of the costs being incurred. Any change requests initiated after 60 days will require additional approval by the Vice President of Academic Affairs and the Vice President of Finance and Administrative Services. All changes will be documented with appropriate explanations.
4. Upon verification of the validity of the cost change, expenditure and budget transactions require the following approvals, as established within the Banner ERP system:
  - For expenditure or budget transactions less than or equal to \$1,000 - approval is required by 1) the Program Manager/PI, and 2) the Director or Associate Director of Fiscal Services.
  - For expenditure or budget transactions greater than \$1,000.00 - approval is required by 1) the Program Manager/PI, 2) the area Vice President, and 3) the Director or Associate Director of Fiscal Services.
  - Additionally, for all technology-related expenditure or budget transactions - approval is required by 1) the Program Manager/PI, 2) the area Vice President, 3) the Chief Information Services Officer, and 4) the Director or Associate Director of Fiscal Services.
  - Additionally, for all travel-related expenditure or budget transactions - approval is required by 1) the Program Manager/PI, 2) the area Vice President, 3) the Superintendent/President, and 4) the Director or Associate Director of Fiscal Services.

5. The Director of Fiscal Services, or designee, will ensure that all documentation of cost changes are reviewed, appropriately explained, and secured for DPI budget reviews.

### **Authority**

2 C.F.R. Part 200, §200.302(b)(7) “*Written procedures for determining the allowability of costs in accordance with Subpart E – Cost Principles of this part and the terms and conditions of the Federal award*”.

2 C.F.R. Part 200, §200.403 “*To be allowable under Federal awards, except where otherwise authorized by statute, costs must:*

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable.*
- (b) Conform to any limitations or exclusions set forth in Federal awards as to types or amount of cost items.*
- (c) Be consistent with policies and procedures that apply uniformly to Federal and non-Federally funded activities.*
- (d) Be consistent treatment as direct or indirect cost.*
- (e) Be in accordance with GAAP.*
- (f) Not be included as a cost to meet cost sharing or matching requirements of any other federally financed program*
- (g) Be adequately documented.*

2 C.F.R. Part 200.420– Considerations for selected items of cost. This section provides the principles for establishing allowability of certain items involved in determining costs.

Citrus College Board Policy (BP 6300) and Administrative Policy (AP 6300) require that:

- *Adequate internal controls exist.*
- *Provide for appropriate fiscal policies and procedures and adequate controls to ensure that established fiscal objectives are met.*

Revised:       September 28, 2016  
                  May 31, 2022