**Office of Grant Accounting**

**Tennessee Tech University**

**Desk Procedure**

**DEFINITION AND PURPOSE OF DETERMINING ALLOWABLE COSTS RELATED TO FEDERALLY FUNDED POJECTS**

Tennessee Tech University’s Office of Grant Accounting follows the cost principals contained in 2 CFR 200 Subpart E. The Principal Investigator is responsible for determining the reasonableness, allocability, and allowability of costs charged to federally funded projects prior to incurring the expense. Should questions arise, the Principal Investigator should reference 2 CFR 200 at <http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl> and consult with the Office of Grant Accounting and/or the Office of Research to make a final determination related to the expense. The Office of Research also maintains a link at [www.tntech.edu/research/policies/](http://www.tntech.edu/research/policies/) to a quick reference guide to Allowable and Unallowable Costs for Federally Sponsored Projects.

If an unallowable cost is identified after the expense has been incurred, it must be requisitioned from appropriate unrestricted departmental funds using account code 79850 – Unallowable Costs.

The Principal Investigator is responsible for being aware of conditionally unallowable costs per their specific Grant Agency’s guidelines.