



Allowability and Cost Principles

Questions and Answers

Question: In reference to your bus example, if the grantee has determined that electricity is a shared direct cost and grantee has a cost allocation plan that allows them to be able to readily assign the share of the expense to the grant, it is ok for the grantee to categorize electricity as direct, correct?

Answer: Yes, that is correct. If the grantee has determined that electricity is a shared direct cost and has a cost allocation plan that allows them to readily assign the share of the expense to the grant, it is permissible for the grantee to categorize electricity as a direct cost. The key factors are the grantee's ability to identify and allocate the cost accurately and the existence of a documented cost allocation plan that supports this method.

Question: Would you explain why some funders require MTDC to include the reduction of rent from the MTDC? The reference to rent at the federal definition of MTDC seems confusing? 2- Once an organization defines their MTDC should it stay consistent across all federal funds?

Answer: MTDC excludes equipment, capital expenditures, rent charges, tuition remission, participant support costs, and the portion of each subaward more than \$25,000 (2 CFR 200.68). Yes, it should remain consistent across all federal funds.

Allowability and Cost Principles – Helpful Links:

- [Governor's 3 Year Plan](#)
- [2 CFR Part 200 Subpart E](#)
- [SAM.gov](#)
- [2 CFR Appendix VIII](#)
- [Getting Started with Registration & the UEI](#)
- [Entity Registration – FAQ's by SAM.gov](#)
- [Prepare for Entity Registration – Entity Checklist](#)
- [How to renew or update your entity profile](#)
- [Electronic Vendor Registration page](#)
- [Grant Writing: Developing the Scope of Work & Budget – The Backbone of Your Grant Application](#)
- [Common Grant Application](#)
- [Grant Fit Check](#)
- [Risk Management & Mitigation webinar](#)
- [OFA training video library](#)
- [Post-Event Survey](#)