

**ADMINISTRATIVE
DIRECTIVE**

Administrative Directive Title: Federal Grant Expenditures	AD Number: 2.800.1	Adopted: September 1988 Former Descriptor: FM17
Policy References: Board Policy 2.800 – Expenditure of Funds	Revised: 11/96; 9/01; 12/02; 8/06; 8/14; 8/15; 8/19; 11/24	

1 The Federal Programs Director will be responsible for overseeing the disbursement of the school
 2 district's federal grant funds based on budgets approved by the Director of Schools, Board of
 3 Education, and Tennessee Department of Education. The Federal Programs Director will review
 4 the proposed cost to determine whether it is an allowable use of federal grant funds. This
 5 determination will be completed before any funds are spent or promised to be spent. When
 6 determining the allowability of costs, the following general criteria shall be met:

- 7 1. Be necessary and reasonable for the performance of the award;
- 8 2. Be allocable to the award;
- 9 3. Conform to any limitation or exclusion set forth by the federal regulations or the terms or
 10 conditions of the award;
- 11 4. Be consistent with the district's policies and procedures;
- 12 5. Be accorded consistent treatment;
- 13 6. Be determined in accordance with generally accepted accounting principles;
- 14 7. Not included to meet cost sharing or matching requirements of any other program;
- 15 8. Be adequately documented.

16 Any questions related to the allowability of costs as well as expenditures from federal program
 17 shall be directed to:

18 Maryam Hill
 19 Federal Programs Director
 20 2552 South Church Street
 21 Murfreesboro, TN 37128
 22 615-893-5212, Ext. 10037
 23 maryam.hill@cityschools.net

24 **Be Necessary and Reasonable for the Performance of Award**

25 The reasonableness and allocability of certain costs may be difficult to determine and may require
 26 prior written approval. Federal regulations (2 CFR 200.407) provide guidance relative to specific
 27 items of cost that require prior approval for allowability. A cost is considered reasonable if it does
 28 not exceed that which would be incurred by a prudent person under the current circumstances.
 29 Consideration shall be given to:

- 30 1. Whether the cost is generally recognized as ordinary and necessary for the operation of the
 31 school district or the proper and efficient performance of the award;

- 32 2. Restraints or requirements imposed by certain factors such as sound business practices,
33 federal or state laws and regulations, and terms and conditions of the award;
34 3. Market prices for comparable goods or services in the area;
35 4. Whether the individuals concerned acted with prudence when considering their
36 responsibilities to the school district; and
37 5. Whether the school district significantly deviates from its established practices regarding
38 the incurrence of costs, which may unjustifiably increase the award's cost.

39 A cost is determined to be necessary if it is determined to be based on the needs of the program,
40 and the school district can prove that the cost will meet an existing need.

41 **Be Allocable to the Award**

42 A cost is allocable to the award if the goods or services involved are chargeable or assignable to
43 that award in accordance with relative benefits received. This standard is met if the cost:

- 44 1. Is incurred specifically for the award;
45 2. Benefits the award and the other work of the school district and can be distributed using
46 reasonable methods; and
47 3. Is necessary to the overall operation of the school district.

48 **Be Accorded Consistent Treatment**

49 A cost may not be assigned to an award as a direct cost if any other cost incurred for the same
50 purpose in like circumstances has been allocated to the award as an indirect cost.

51 **Be Determined in Accordance with Generally Accepted Accounting Principles**

52 This factor only applies to allowability of costs in certain situations. To determine if this factor is
53 applicable, all questions shall be directed to the Federal Programs Director.

Legal References
2 CFR 200.407