



MEMORANDUM

To: Grant BCMs, Grant Accountants

From: Natalie Grange CPA, CFE

Assistant Controller Grants and Restricted Programs

Date: April 19, 2021

RE: Specific Items of Allowable Costs for Grants

There has been a long-standing practice at SLCC that the cost of parking passes cannot be charged to federal grants. The college requires a parking pass to be issued to all employees that work on campuses owned by the college. These passes are good for all campuses. Parking passes for employees that are funded by Education and General funds (E & G) are charged to E & G funds. Employees funded from self-support areas have their passes charged to the self-support areas. Employees funded from private or state grants have their passes charged to these grants. However, parking passes for employees funded by federal grants are treated differently. Parking charged for employees funded with federal grants are moved out of federal grants and into indirect cost recovery indexes or other E and G accounts.

Review of the Uniform Guidance 200 CFR Section 402-406, basic consideration of costs, seems to support charging parking passes to federal grants. Section 403 outlines allowability. It indicates that a cost must be necessary and reasonable for performance of the award, be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the institution and be accorded consistent treatment. In this case moving the costs out of the federal grant is not consistent with institution practice for other funding sources.

This practice creates an unintentional matching requirement that is not required by federal grant awards. These parking passes are not part of the indirect cost recovery; thus, they are not being charged twice to the grants.

Section 405 outlines allocable guidelines. There are a few employees that split their efforts between federal grants, between federal and state grants, or federal and E & G funding sources. In this case their parking charges should be allocated in the same percentage as their salary and benefits. Parking passes are \$60 annually. In the event these charges are not allocated there are very immaterial to the individual grant, and the institution. There is no significant risk that charging parking passes completely to a federal grant would cause material questioned costs.

Upon reviewing 200.420-476, General provisions for selected items of costs, there do not appear to be



any prohibitions or special considerations surrounding parking pass charges.

It is my conclusion that parking passes are allowable costs to federal grants and can be charged to a federal grant in proportion to the % of a person's direct salary and benefits charged to the grant.

This same theory would apply to background checks required for employment as well.

