

FINANCIAL OPERATION

Policy 3166 **(Regulation 3166)**

Financial Management

Federal Awards – Allowable Costs

The District assumes responsibility for ensuring that Federal funds have been expended and are accounted for consistent with Federal program regulations and approved applications. Costs are generally categorized as either direct or indirect. All coding of direct and indirect costs will generally follow the Missouri School Finance Accounting Manual.

Direct Costs

Direct costs include salaries, fringe benefits, purchased services, supplies and equipment. Direct charging of administrative or clerical staff costs will be appropriate only if all of the following conditions are met:

1. Such costs are integral to a project or activity.
2. Individuals involved can be specifically identified with the project or activity.
3. Such costs are explicitly included in the budget or have the prior written approval of the Federal Award Agency.
4. The costs are not recovered as an indirect cost.
5. These conditions may be met using a job description along with time and effort documentation.

Indirect Costs

Indirect costs are those which are not readily identified with the activities funded by the Federal grant or contract, but are nevertheless incurred for the joint benefit of these activities and other activities and programs of the District. Accounting, auditing, personnel, budgeting, purchasing and operation/maintenance of plant are examples of services which typically benefit several activities and programs for which appropriate costs may be attributed to the Federal program by means of an indirect cost allocation plan. The indirect rate cost used in calculating the indirect cost depends on whether the grant is a restricted or unrestricted.

Documentation of Personnel Costs

Charges for salaries and wages will be based upon records that reflect the work performed. Records are required for all employees, including teachers, paraprofessionals, administrators and other staff paid with Federal funds. These records will document the time and effort such individuals spend within the program. The portion of the federally paid salary will be reflective of the actual activity, not budgeted, the individuals has contributed for the specific Federal

program. Time and effort reporting is required when any part of an individual's salary is charged to a Federal program or used as a match for a Federal program.

Adopted: June 27, 2017

Re-Adopted: May 20, 2025

Knox County R-I School District, Edina, Missouri