Decision Flow Chart for Sponsored Project Costs

The cost reflects conservative action a prudent person would take in similar circumstances.

The cost benefits the project and the amount charged is in proportion to the benefit.

The cost is not prohibited by law, regulation, policy, or the award terms.

The cost is specifically identifiable with a project and consistent with CMU practice.

Reasonable

YES → Allocable

NO → Reasonable

YES → Allowable

NO → Reasonable

YES → Consistent Treatment

NO → Sponsor Funds Available

YES → May direct charge to Sponsored Project.

May be a direct charge to cost sharing.

Do not direct charge on sponsored projects.

Sponsor Funds Available

NO → Reasonable

YES → Allowable

YES → Consistent Treatment

NO → May direct charge to Sponsored Project.

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