

§ 200.418 Costs incurred by states and local governments.

Costs incurred or paid by a state or local government on behalf of its IHEs for fringe benefit programs, such as pension costs and FICA and any other costs specifically incurred on behalf of, and in direct benefit to, the IHEs, are allowable costs of such IHEs whether or not these costs are recorded in the accounting records of the institutions, subject to the following:

- (a) The costs meet the requirements of § 200.402 Composition of costs through § 200.411 Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs, of this subpart;
- (b) The costs are properly supported by approved cost allocation plans in accordance with applicable Federal cost accounting principles in this part; and
- (c) The costs are not otherwise borne directly or indirectly by the Federal government.