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Allowable Data and Evaluation Costs

What the 2024 Uniform Guidance revisions now explicitly permit

Reflects 2 CFR 200.455 and 200.413 as revised, effective for awards issued on or after October 1, 2024. Last verified ***August 1, 2026***

The short version

Before 2024, organizations routinely absorbed the cost of data systems and evaluation as overhead, because it was unclear whether a funder would allow it as a program cost. The revised Uniform Guidance removes that ambiguity. Data systems, cybersecurity, evaluation personnel, and dashboards are now explicitly allowable, and they can be direct costs on an award when they are directly related to it.

What 2 CFR 200.455 says

The provision states, in its own words:

2 CFR 200.455(c)

The costs related to data and evaluation are allowable. Data costs include (but are not limited to) the expenditures needed to gather, store, track, manage, analyze, disaggregate, secure, share, publish, or otherwise use data to administer or improve the program, such as data systems, personnel, data dashboards, cybersecurity, and related items.

Read the verbs in that list. Gather, store, track, manage, analyze, disaggregate, secure, share, publish. That covers essentially the full lifecycle of program data, and the named examples include data systems, the personnel who run them, dashboards, and cybersecurity.

What 2 CFR 200.413 says

Allowable is one question. Whether a cost can be charged directly to an award rather than buried in your indirect rate is a second question, and 200.413(b) answers it:

2 CFR 200.413(b)

Costs that otherwise would be treated as indirect costs may also be considered direct costs if they are directly related to a specific award (including, for example, extraordinary utility consumption, the cost of materials supplied from stock or services rendered by specialized facilities, cybersecurity, integrated data systems, asset management systems, performance management costs, program evaluation costs, or other institutional service operations).

Cybersecurity, integrated data systems, performance management, and program evaluation are named explicitly. If the cost is directly related to a specific award, it can be a direct cost on that award.

What this changes for your budget

Before	Now
Data system costs were often treated as administrative overhead, recovered only through the indirect rate if at all	Data system costs can be a direct line in the program budget, cited to 200.455

Before	Now
Evaluation was funded from unrestricted dollars because it was hard to justify to a funder	Program evaluation costs are named as allowable and may be direct under 200.413(b)
Cybersecurity spending had no clear home in a grant budget	Cybersecurity is named explicitly in both provisions
Staff time spent managing program data was difficult to charge	Personnel for gathering, managing, and securing program data are named in 200.455

The one rule that will trip you

2 CFR 200.413(a) requires that costs incurred for the same purpose in like circumstances be treated consistently as either direct or indirect. You cannot charge a data system directly to an award if a similar cost is already recovered inside your indirect rate. Pick one treatment and apply it the same way across all your awards. Inconsistent treatment is a common audit finding.

Language to use in your budget justification

> **Sample**
> Participant data and outcome measurement system ($14,400). $1,200 per month x 12 months = $14,400. This system collects participant intake and follow up data, tracks outcomes at 30, 90, and 180 days, and produces the performance reports required under Objective 2. Costs related to data and evaluation, including data systems, personnel, and cybersecurity, are allowable under 2 CFR 200.455. This cost is directly related to this award and is treated consistently as a direct cost across all our federal awards, per 2 CFR 200.413.

Two things make this work. It ties the cost to a specific objective rather than describing a general capability, and it cites the provisions that make the cost allowable, which answers the reviewer's question before it is asked.

Where it goes in the budget

- Supplies, if the software or subscription is under the $10,000 per unit threshold. This is where most systems belong.
- Other Direct Costs, if it does not fit Supplies and is specific to the project.
- Contractual, if an outside organization performs the service under an agreement.
- Personnel, for staff time spent gathering and managing program data, supported by time and effort documentation.

A note on foundation funders

These provisions govern federal awards. Foundations set their own rules. But the same argument works, and increasingly lands, because major funders have publicly recognized that underfunding infrastructure damages the organizations they fund. Frame data and evaluation as what makes your outcome reporting to them credible, rather than as overhead.

Sources

- 2 CFR 200.455, organization costs, including the data and evaluation provision quoted above
- 2 CFR 200.413, direct costs, including the consistency rule and the direct cost examples
- Full current text at ecfr.gov, Title 2, Part 200

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