**Section 261.510 Determination of Allowable Costs**

a) Allowable Costs. Allowable costs are reasonable and necessary costs directly attributable to the project scope of work. Allowable costs shall be identified in the grant agreement. Categories of reasonable and necessary costs include:

1) The direct purchase of eligible vehicles, equipment, or technology as specified in Sections 261.340 (Vehicle and Equipment Eligibility Criteria) or 261.350 (Technology Eligibility Criteria) of this Part, the materials necessary for installation of the eligible equipment or technology, and installation of the eligible equipment or technology;

2) Costs incurred only during the grant period; and

3) Other costs as determined by the Agency.

b) Disputes Concerning Allowable Costs. Grant recipients shall seek to resolve any questions relating to cost allowability or allocation at the earliest opportunity. Final determinations by the Director concerning the allowability of costs shall be conclusive.