Quick Reference Guide

*A "short list" of Allowable and Unallowable Costs for Federally Sponsored Projects*

*From:* CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for

Federal Awards - Known as “Uniform Guidance” (formerly OMB Circular A-21),

For a cost to be *allowable* it must meet OMB criteria of being reasonable, allocable and consistently treated and conform to any limitations or exclusions set forth in the cost principles or sponsored agreement.

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| CFR  Reference | Type of Cost | Allowable as a Direct Cost | Unallowable as a Direct Cost |
| 421 | Advertising & Public Relations | Allowable only if related to and necessary for performance of the sponsored project (i.e., recruitment of personnel, procurement of goods and services etc.) | Unallowable for advertising related to the general image of the university or events related to instruction, other  institutional activities, or demonstrations. Unallowable for promotional items and memorabilia, including  models, gifts and souvenirs |
| 423 | Alcoholic Beverages | Unallowable | Unallowable |
| Appendix  III,B6(1)(2) | Communication Costs | Allowable ONLY for costs directly attributable to a specific project (ex. long distance calls. | Unallowable for recurring line charges, network charges, local telephone costs, or other general/generic communication expenses. |
| 430 | Compensation for  Personal Services | Salaries, wages and fringe benefits of personnel who directly contribute to the project's technical purpose (i.e. Faculty, other technical & research staff) | Unallowable for salaries & wages of administrative & clerical staff. See code for exceptions. \*The cost of institution-furnished automobiles that relate to personal use by employees is unallowable. |
| 434 | Contributions & Donations | Unallowable | Unallowable |
| 438 | Entertainment Costs | Unallowable | Unallowable - includes amusement, diversion, and social activities and any costs directly associated with such costs. |
| 439 | Equipment & other  Capital Expenditures | Allowable only for *special purpose equipment -* used exclusively for research, medical, scientific, or other  technical activities. Prior approval from awarding agency required for items with a unit cost of $5,000 or more. | Unallowable for *General Purpose Equipment* - not used exclusively for research (i.e., office equipment and furnishings, modular offices, telephone networks,  Information Technology equipment & systems, AC equipment, reproduction and printing equipment, and motor vehicles etc.). |
| 441 | Fines & Penalties | Unallowable except when incurred as a result of compliance with specific federal award provisions | Unallowable except when incurred as a result of compliance with specific federal award provisions |
| 445 | Goods or Services for Personal Use | Unallowable | Unallowable |
| Appendix  III,B5 | Housing & Personal Living Expenses | Unallowable | Unallowable |
| 447 | Insurance &  Indemnification | Allowable if related to and necessary for the performance of the sponsored project (Note: malpractice insurance is  an allowable cost of research programs only to the extent  that the research involves human subjects) | Refer to the code for allowability of other types of insurance maintained by the institution in connection  with the general conduct of its activities. |
| 450 | *Most* Lobbying Costs | Unallowable | Unallowable |
| 451 | Losses on Other  Sponsored Agreements or Contracts | Unallowable | Unallowable |

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| CFR  Reference | Type of Cost | Allowable as a Direct Cost | Unallowable as a Direct Cost |
| 452 | Maintenance & Repair Costs | Allowable as a direct cost as necessary to carry out the technical and scientific aspects of and actually used for  the performance of a sponsored project | Unallowable for costs incurred for necessary maintenance, repair, or upkeep of buildings and  equipment which neither add to the permanent value  of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition (Generally F&A). \*Costs incurred for improvements which add to the permanent value of buildings and  equipment or appreciably prolong their intended life shall be treated as capital expenditures. |
| 453 | Material & Supplies Costs | Allowable as a direct cost when necessary, and actually used, for the performance of a sponsored project. | Generally Unallowable for routine office supplies & postage |
| 432 | Conferences | Allowable when the primary purpose is the dissemination of technical information directly related to the project.  This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences. | "Entertainment costs" are unallowable (see above) |
| 454 | Memberships,  Subscriptions &  Professional Activity Costs | *Generally* unallowable as a direct cost (considered F&A). | Costs of membership in any civic or community organization, country club or social or dining club or  organization are unallowable. Costs of the institution's  membership in business, technical and professional organizations AND costs of the institutions  subscriptions to business, professional & technical periodicals are generally considered F&A costs. |
| 448 | Patent Costs (Intellectual Property) | Allowable if required by the sponsored agreement | Unallowable for foreign patents |
| 459 | Professional Service Costs | Allowable when in accordance with CFR 200, 200.435 and in compliance with university policy | Unallowable for officers or employees of the institution |
| 460 | Proposal Costs | Unallowable | Unallowable |
| 461 | Publication & Printing Costs | Allowable if the costs can be identified with a research project. If the cost is for page charges, the charges are allowable for professional journals if the work is  supported by the Federal Government and the charges are levied impartially on all research papers published, not just those funded by federally sponsored authors | Generally unallowable for routine copying and postage (considered F&A). |
| 462 | Rearrangement  & Reconversion Costs | Allowable with prior approval of the awarding agency when incurred specifically for the sponsored project | Unallowable for costs incurred for ordinary or normal rearrangement and alteration of facilities |
| 463 | Recruiting Costs | Allowable when related to and necessary for the project and if reasonable (color ads are not considered reasonable) | Advertising which includes color, material for other than recruitment purposes, or which is excessive in size is unallowable. |

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| CFR  Reference | Type of Cost | Allowable as a Direct Cost | Unallowable as a Direct Cost |
| 465 | Rental Costs of  Buildings and  Equipment | Allowable for reasonable costs (*when incurred specifically for the sponsored project.)* | Unallowable costs include amounts paid for profit, mgmt fees, and taxes that would not have been incurred had the institution purchased the facility. |
| 448 | Royalties and  Other Costs for  Use of Patents  (Intellectual property) | Allowable when necessary for the performance of the sponsored project | Unallowable when the Federal Government has a license or the right to free use of the patent or copyright; or  when the patent or copyright has been adjudicated to be invalid, has been administratively determined to be invalid, is considered to be unenforceable, or has expired |
| 466 | Scholarships and  Student Aid Costs | Allowable only when the purpose of the sponsored agreement is to provide training to selected participants and the charge is approved by the sponsoring agency.  Stipulations apply. |  |
| 469 | Student Activity Costs | Unallowable | Unallowable |
| 471 | Termination Costs  Applicable to Sponsored Agreements | Allowable for costs which would not have arisen had the sponsored agreement not been terminated, provided they meet the requirements of OMB A-21, Section J50 | Unallowable for any costs continuing after termination due to the negligent or willful failure of the institution to discontinue such costs. |
| 472 | Training & Education Costs | Allowable for training provided for employee development for a specific sponsored project. |  |
| 473 | Transportation (Freight) Costs | Allowable for costs for freight, express, cartage, postage and other transportation services when related to goods purchased, in process, or delivered (must be project- specific). | Unallowable for routine/general postage |
| 474 | Travel Costs | Allowable for transportation, lodging, subsistence and related items for employees who are in travel status on project-specific business, subject to University policy | Unreasonable travel costs (including airfare costs in excess of the lowest available commercial discount airfare except where justified & documented) are  unallowable. Non-employee travel unallowable unless  related to OMB A-21, Section J2 or specifically required to fulfill the requirements of the solicitation. |

The “full list” is under Title 2 in the Code of Federal Regulations (CFR 200), effective 1/19/2017 <http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl>