

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.

Adapted from the University of Maine's and the University of Wisconsin's Quick Reference Guide

The "full list" is under Title 2 in the Code of Federal Regulations (2 CFR 200), effective 5/19/2022 http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

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 <i>special purpose equipment</i> - used exclusively for research, medical, scientific, or other technical activities. Prior approval from awarding agency required for items with a unit cost of \$2,500 or more, per indirect cost agreement.	Unallowable for <i>General Purpose Equipment</i> – 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 <u>actually used for the performance of a sponsored project</u>	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	Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable as indirect costs. Special arrangements and alterations costs incurred specifically for a Federal award are allowable as a direct cost with the prior approval of the Federal awarding agency or pass-through entity. Costs incurred in the restoration or rehabilitation of the	Unallowable for costs incurred for ordinary or normal rearrangement and alteration of facilities

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CFR Reference	Type of Cost	 Allowable as a Direct Cost	 Unallowable as a Direct Cost
		non-Federal entity's facilities to approximately the same condition existing immediately prior to commencement of Federal awards, less costs related to normal wear and tear, are allowable.	
465	Rental Costs of Buildings and Equipment	Allowable for reasonable costs (<i>when incurred specifically for the sponsored project.</i>)	Unallowable costs include amounts paid for profit, gmt. fees, and taxes that would not have been incurred had the institution purchased the facility.
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.
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.	Student health insurance is unallowable.
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.