

## Quick Reference Guide:

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

**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.**

**The "full list" is under Title 2 in the Code of Federal Regulations (CFR 200)**

[Federal Uniform Guidance](#)

CFF Reference	Type of Cost	Allowable as Direct Cost	Unallowable as Direct Cost
421	<b>Advertising &amp; Public Relations</b>	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	<b>Alcoholic Beverages</b>	Unallowable	Unallowable
<b>Appendix III,B6(1)(2)</b>	<b>Communication Costs</b>	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	<b>Compensation for Personal Services</b>	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	<b>Contributions &amp; Donations</b>	Unallowable	Unallowable

CFR Reference	Type of Cost	Allowable as a Direct Cost	Unallowable as a Direct Cost
438	<b>Entertainment Costs</b>	Unallowable	Unallowable - includes amusement, diversion, and social activities and any costs directly associated with such costs.
439	<b>Equipment &amp; other Capital Expenditures</b>	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 \$5,000 or more.	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	<b>Fine and Penalties</b>	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	<b>Goods or Services for Personal Use</b>	Unallowable	Unallowable
<b>Appendix III,B5</b>	<b>Housing &amp; Personal Living Expenses</b>	Unallowable	Unallowable
447	<b>Insurance &amp; Indemnification</b>	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	<b>Most Lobbying Costs</b>	Unallowable	Unallowable
451	<b>Losses on Other Sponsored Agreements or Contracts</b>	Unallowable	Unallowable

CFR Reference	Type of Cost	Allowable as a Direct Cost	Unallowable as a Direct Cost
452	<b>Maintenance &amp; Repair Costs</b>	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.
454	<b>Memberships, Subscriptions &amp; Professional Activity Costs</b>	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.
458	<b>Patent Costs (Intellectual Property)</b>	Allowable if required by the sponsored agreement	Unallowable for foreign patents
459	<b>Professional Service Costs</b>	Allowable when in accordance with CFR 200, 200.435 and in compliance with university policy	Unallowable for officers or employees of the institution
460	<b>Proposal Costs</b>	Unallowable	Unallowable

CFR Reference	Type of Cost	Allowable as a Direct Cost	Unallowable as a Direct Cost
461	<b>Publication &amp; Printing Costs</b>	Allowable if the costs can be <b>identified with a research project</b> . 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 <b>unallowable</b> for routine copying and postage (considered F&A).
462	<b>Rearrangement &amp; Reconversion Costs</b>	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	<b>Recruiting Costs</b>	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.
465	<b>Rental Costs of Buildings and Equipment</b>	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	<b>Royalties and Other Costs for Use of Patents (Intellectual property)</b>	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
462	<b>Rearrangement &amp; Reconversion Costs</b>	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

<b>CFR Reference</b>	<b>Type of Cost</b>	<b>Allowable as a Direct Cost</b>	<b>Unallowable as a Direct Cost</b>
466	<b>Scholarships and Student Aid Costs</b>	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	<b>Student Activity Costs</b>	Unallowable unless provided for in Federal award	Unallowable
471	<b>Termination Costs Applicable to Sponsored Agreements</b>	Allowable for costs which would not have arisen had the sponsored agreement not been terminated	Unallowable for any costs continuing after termination due to the negligent or willful failure of the institution to discontinue such costs.
472	<b>Training &amp; Education Costs</b>	Allowable for training provided for employee development for a specific sponsored project.	
473	<b>Transportation (Freight) Costs</b>	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	<b>Termination Costs Applicable to Sponsored Agreements</b>	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 is unallowable unless related to OMB A-21, Section J2 or specifically required to fulfill the requirements of the solicitation.