ALLOWABILITY OF COSTS ON FEDERAL AWARDS

For any cost to be charged directly to a Federal award the expense must be:

1. **Allowable** under both the provisions of Federal guidance AND under the terms of a specific award;
2. **Allocable**, the expense can be associated to a project with a high degree of accuracy;
3. **Reasonable**, the cost reflects what a “prudent person” would pay in a similar circumstance;
4. Charged consistently as direct expense (versus an indirect cost).

The spending of any funds awarded by the Federal government is governed by the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule” (Uniform Guidance), published by the Office of Management and Budget (OMB). The above mentioned information regarding the treatment of costs is described in §200.402 Composition of costs through 200.411 Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs.

The following is a listing of Unallowable Costs on Federal grants:

- Advertising and public relations costs (except in the case of recruitment for a position necessitated by the grant or public promotion of the grant activities).
- Alcoholic beverages
- Alumni activities
- Bad debt
- Capital expenditures, greater than $5,000 not pre-approved by the Federal awarding agency
- Commencement and convocation costs
- Computers and other technological devices, including cell phones, iPads, printers, etc., unless included in the proposed budget submitted to and approved by the awarding agency
- Contingency provisions
- Contributions or donations, including cash, property, or services
- Costs incurred in connection with any criminal, civil, or administrative proceedings
- Entertainment costs, unless those costs have a programmatic purpose and are authorized in the approved budget and/or have prior written approval from the Federal agency
- Fines and penalties
- Food costs (except for study participants, meals while traveling that abide by institutional policy, or food charges that would have been included in the approved budget)
- Fundraising and investment costs
- Goods or services for personal use
- Housing and personal living expenses
- Institutionally furnished automobiles or vehicles
- Lobbying costs, at any level of government
- Losses on other sponsored agreements or contracts
- Memberships and subscriptions (except when necessitated by grant activities)
- Office supplies
- Payroll in disproportionate amounts to the work performed on the grant
- Postage (unless large mailing, or necessitated by grant activities)
- Professional service costs when work can be performed by a qualified institutional personnel
- Proposal costs
- Publication and printing costs (except when included in the approved budget)
- Recruitment and relocation costs for employees not working on the grant
- Selling and marketing costs
- Student activity cost (unless specifically provided for in the grant award)
- Telephone charges for local calls (long-distance charges for specific grant related activities are allowable)
- Tuition and fees (except for training grants or tuition remission as, or in lieu of, pay for graduate students working on that particular grant project).