

COST ALLOWABILITY

Please see the table below for a summary of allowability of selected **direct cost** expenses on **Federal** awards. Allowability on non-federal awards depends upon the agency requirements, any contracts/agreements, and ACU policy. Please contact ORSP if you have any questions.

Please note: just because an item was included in a proposal budget DOES NOT make it an allowable expense on a sponsored fund. To be allowable, expenses must conform to the definition above.

Direct Costs That Are Typically Not Allowed			
Advertisement Costs: For general institutional purposes	Alcohol: Beverages for general consumption at meals, receptions, etc.	Alumni Activities of any type	Commencement & Convocation of any type
Communication: Basic phone services, cell phones, local phone service (considered F&A/indirect cost)	Compensation for Personnel: Administrative and clerical salaries (for general administrative duties; considered F&A/indirect cost) Pay above the Institutional Base Salary for duties that are considered part of the employee's job description (including research)	Computers: For administrative purposes (Computers, monitors, printers, & back-up drives) (Considered F&A)	Entertainment of any type: Costs for amusement or social activities and costs directly associated with these activities (e.g., tickets, meals, transportation)
Equipment (Defined as non- expendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.) (See Supplies & Materials category for equipment with an acquisition cost of less than \$5000.) "General purpose equipment" means equipment, which is not limited only to research, medical, scientific or other technical activities. Examples of general purpose equipment include office equipment (i.e. personnel computers) and furnishings, air conditioning equipment, reproduction and printing equipment, motor vehicles.	Fines & Penalties: Generally unallowable	Food: Food costs as part of standard business (lunch in the lab, coffee/pizza for late nights, receptions, hospitality room, lunch for students during a local research activity, etc) (Food & Beverage costs are routinely questioned by auditors unless they find adequate documentation to show that the costs were associated with a bonafide technical conference or meeting or generated while on travel status. It is important to document how the food charges specifically benefit the project.)	Fringe Benefits: Benefits not typically given by the institution or above the rates typically given by the institution (e.g., summer retirement matching, matching above 8%, additional retirement funds beyond IBS, etc.)

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Fundraising of any type	General Supplies: General use or janitorial items such as paper towels, mops, laboratory soap, etc (considered F&A)	Gifts of any type	Goods and Services for Personal Use
Insurance & Indemnity: Actual losses which could have been covered by insurance except as provided for in 2 CFR 200, Subpart E	Legal Expenses	Lobbying of any type	Losses on Other Sponsored Projects
Maintenance, Operations, & Repair: Of general purpose equipment (considered F&A)	Marketing: Institutional materials	Memberships: in country or social clubs organizations whose primary purpose is lobbying	Office Supplies: Paper, Photocopies, Toner Cartridges, Envelopes, , Post-it Notes, Calendars, Desk Organizers, File Cabinets, File Folders, Binders/Notebooks (general use), Transparencies, Pens, Pencils, Markers, Staples, Staplers, Paper Punches, College Stationary, Business Cards, diskettes, flash drives, memory sticks, zip drives, etc (Considered F&A)
Patents: Costs when not required by federal sponsor	Postage: General postage (considered F&A)	Printing/Publication Costs: For general institutional purposes	Professional & Consulting Services: When an employee of the institution can provide the service as part of their duties Professional and consulting services rendered by employees of ACU are unallowable. If an ACU employee is providing such a service, then the employee's salary and fringe should be charged as a direct cost and included in the personnel line item in the project budget.
Promotional Items/Memorabilia of any type: T-shirts, and other memorabilia,	Proposal Costs of any type: Costs for preparing proposals to obtain other grant monies.	Public Relations: To promote the institution	Recruiting & Relocation Costs: When employee resigns within 12 months

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souvenirs or promotional items (key chains, caps, etc.)	(NOTE: Individuals who write grants should not be 100% supported on a sponsored project. Considered F&A, so ACU should pay for the portion of effort spent writing new grants)		
Software: General administrative software	Student Activity Costs (clubs, etc) of any type	Travel: Dependent travel for trips less than 6 months Travel unrelated to grant objectives costs associated with first class air travel and costs in excess of lowest commercial airfare	

Direct Costs That Are Sometimes Allowed			
Compensation for Personnel: Supplemental salary above the Institutional Base Salary	Construction & Remodeling: When specifically allowed for in the award notice	Food: Food costs associated with dissemination of information related to the grant objectives (when budgeted and approved by the agency) Federal funds may not be used for purchasing food to serve at meetings or events such as "lab group" meetings or departmental meetings, even if attendees are disseminating technical information related to the project. (Food & Beverage costs are routinely questioned by auditors unless they find adequate documentation to show that the costs were associated with a bonafide technical conference or meeting or generated while on travel status. It is important to document how the food charges specifically benefit the project.)	Memberships: Civic or community organizations, when necessary to the conduct of the project and with prior approval by agency
Participant Support Costs: With prior approval of the agency	Scholarships, trainee stipends, internships, and other student aid costs: Only when the purpose of the grant is to provide training to selected	Travel: Dependent travel for trip greater than 6 months (with prior agency approval)	

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	participants and with specific approval.		
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Costs That Are Generally Allowed			
Advertisement costs: for recruitment of personnel, procurement of goods and services, and program outreach necessary to meet the grant objectives	Alcohol: When necessary to the conduct of the research (e.g., chemical reagents in the laboratory, research on alcohol)	Communication: Long distance phone calls for grant purposes Project-related field phones	Compensation for Personnel: Salaries of faculty, research associates, students and other personnel who are essential to the conduct of the sponsored project. Salary must be shared proportionately to the effort given to the project and cannot be greater than the total Institutional Base Salary
Computers: Specific for research purposes (such as data collection or processing) To be charged to a project a computing device must be: (1) essential for the purposes of carrying out a specific aim of the funded project, (2) above and beyond what is normally provided by the department for academic use, and (3) charged to the grant in some reasonable proportion relative to how much it is used for the funded project.	Conferences/meetings: When disseminating information related to the grant program and necessary and reasonable for successful performance. May include: rental of facilities, speakers's fees, costs of meals and refreshments, local transportation	Displays, demonstrations, exhibits: When directly related to the project	Equipment (Defined as non-expendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.) (See Supplies & Materials category for equipment with an acquisition cost of less than \$5000.): "Special purpose equipment" means equipment, which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include centrifuges, spectrometers, microscopes, and computers. (requires agency approval when over \$5000) Requests to purchase capital equipment that was not in the original budget should

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			<p>be made by contacting ORSP. It is important to retain all notes related to procurement of equipment (e.g. choice of vendor, model, etc.).</p> <p>NOTE: all such equipment must be managed and disposed of according to 2 CFR 200 Subpart D (200.313)</p>
<p>Fines and Penalties: Only when incurred as a result of compliance with the terms of the sponsored agreement</p>	<p>Fringe Benefits: Employer contributions or expenses for retirement, social security, employee insurance and workers compensation insurance when charged at the rate proportionate to the effort contributed to the sponsored activity</p>	<p>Insurance and Indemnity: Costs of insurance required or approved in advance by the sponsor pursuant to the terms of a sponsored agreement as direct charges to the project</p>	<p>Maintenance, Operations, and Repair: of specialized equipment</p>
<p>Memberships: In business or professional organizations</p> <p>Membership should only be paid for by a grant when:</p> <p>Membership is the only means of obtaining a specific journal or periodical directly related to the project</p> <ul style="list-style-type: none"> •Membership is required to attend a conference that is part of the sponsored project •Membership is required to receive reduced registration fees or other associated costs for the conference (cost must be greater than or equal to the membership cost). <p>In some circumstances, if the PI can document that:</p> <p>1) PI needs to be a member of the professional organization in order to complete the project AND 2) PI would not otherwise be a</p>	<p>Patents: In accordance with the clauses of a sponsored agreement relating to patents, costs of preparing documents, and any other patent costs in connection with the filing of a patent application when required by federal sponsor</p>	<p>Printing/publication costs: When the material to be published is associated with the research/ scholarly product conducted under the award</p> <p>Page charges by journals to publish results of sponsored project activities</p>	<p>Postage:</p> <p>Overnight express service, federal express, US postal priority mail, UPS, when needed to transport project materials or report in a non-routine manner.</p> <p>Examples of allowable postage/shipping expenses include shipping costs for sending research samples to a colleague for testing, shipping costs for supplies ordered from an online vendor.</p>

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member, then it may be allowable expense			
Professional and consulting services: When provided by non-employees and when the grantee organization does not possess the expertise and would not be cheaper to hire an employee	Public Relations: When required by the grant to communicate with the public	Recruiting and Relocation costs: Advertising, travel, and relocation of new employees to service the sponsored project <u>Must be consistent with institution policy and practice, applied consistently to sponsored and non-sponsored activities</u>	Reference materials: When related to sponsored project and necessary for the conduct of sponsored activities
Rental costs: To the extent that the rates are comparable to that of other rental property in the locale and are approved by the awarding agency during the proposal process.	Royalties/use of patents: Royalties on a patent or invention necessary for the proper performance of a sponsored agreement unless the government has a license or right to free use of the patent or the patent is considered to be unenforceable or has expired	Severance pay: If required by law, employer-employee agreement or agency policy a specified in 2 CFR 200, Subpart E	Software: Necessary for the conduct of the project (e.g., data collection or analysis)
Supplies: Specialized supplies necessary for the conduct of the activity such as lab notebooks, chemicals, glassware, columns, vials, pipets, pipet tips, test tubes, thermometers, ovens, storage, or other lab equipment, etc. NOTE: Residual unused supplies totaling \$5,000 or more at the end of the award must be used for another federally-sponsored award or the agency must be compensated for its share.	Termination Costs: Costs resulting from the early termination of a sponsored project, subject to prior approval of the sponsor. Costs may include loss of value of special tooling, rental costs associated with non-expired leases and claims under subcontract agreements	Transportation of Goods: Costs incurred for freight and transportation related to sponsored research project	Travel: Personnel travel that is necessary for the grant objectives U.S carriers must be used when traveling on awards sponsored directly by Federal agencies or awards from non-federal sponsors for that the Federal Government is a primary sponsor.
Tuition: Tuition, tuition remission, or other compensation given in lieu of salaries and wages. Time and Effort must be documented in the same manner as salaries and wages.			