



## Reference Guide: Short List of Allowable and Unallowable Costs on Federally-Sponsored Projects\*

\*applicable to projects subject to [CFR 200 Uniform Administrative, Cost Principles, and Audit Requirements for Federal Awards](#) – commonly referred to as “Uniform Guidance” (and formerly called OMB Circular A-21)

For a cost to be allowable, it must meet CFR criteria of being reasonable, allocable, 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), effective 9/8/2021 and can be found [here](#).

Type of Cost	CFR Reference (§200.xxx)	Allowable as a Direct Cost	Unallowable as a Direct Cost
Advertising & Public Relations	<a href="#">421</a>	Allowable only if related to and necessary for performance of the sponsored project (i.e., recruitment of personnel, procurement of goods and services etc.).	<b>Unallowable</b> 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.
Alcoholic Beverages	<a href="#">423</a>	<b>Unallowable</b>	<b>Unallowable</b>
Communications Costs	<a href="#">Appendix III, B6(1)(2)</a>	Allowable ONLY for costs directly attributable to a specific project (ex. long distance calls).	<b>Unallowable</b> for recurring line charges, network charges, local telephone costs, or other general/generic communication expenses.
Compensation for Personal Services	<a href="#">430</a>	Salaries, wages and fringe benefits of personnel who directly contribute to the project's technical purpose (i.e. Faculty, other technical & research staff).	<b>Unallowable</b> 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.

Type of Cost	CFR Reference (\$200.xxx)	Allowable as a Direct Cost	Unallowable as a Direct Cost
Conferences	<a href="#">432</a>	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.	Non-conference "entertainment" costs are <b>unallowable</b> .
Contributions & Donations	<a href="#">434</a>	<b>Unallowable</b>	<b>Unallowable</b>
Equipment & Other Capital Expenditures	<a href="#">439</a>	<b>Unallowable</b> except 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. Federally-funded contracts may have capitalization criteria specific to that contract, with special approvals required by the sponsor.	<b>Unallowable</b> 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.).
Fines & Penalties	<a href="#">441</a>	<b>Unallowable</b> except when incurred as a result of compliance with specific federal award provisions.	<b>Unallowable</b> except when incurred as a result of compliance with specific federal award provision.
Goods or Services for Personal Use	<a href="#">445</a>	<b>Unallowable</b>	<b>Unallowable</b>
Housing & Personal Living Expenses	<a href="#">Appendix III, B5</a>	<b>Unallowable</b>	<b>Unallowable</b>
Insurance & Indemnification	<a href="#">447</a>	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.
Most Lobbying Costs	<a href="#">450</a>	<b>Unallowable</b>	<b>Unallowable</b>

Type of Cost	CFR Reference (\$200.xxx)	Allowable as a Direct Cost	Unallowable as a Direct Cost
<b>Losses on Other Sponsored Agreements or Contracts</b>	<a href="#"><u>451</u></a>	<b>Unallowable</b>	<b>Unallowable</b>
<b>Maintenance &amp; Repair Costs</b>	<a href="#"><u>452</u></a>	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	<b>Unallowable</b> 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.
<b>Materials &amp; Supplies Costs</b>	<a href="#"><u>453</u></a>	Allowable as a direct cost when necessary, and actually used, for the performance of a sponsored project.	Generally <b>unallowable</b> for routine office supplies & postage.
<b>Memberships, Subscriptions, &amp; Professional Activity Costs</b>	<a href="#"><u>454</u></a>	Generally <b>unallowable</b> 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 <b>unallowable</b> . 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.
<b>Patent Costs (Intellectual Property)</b>	<a href="#"><u>448</u></a>	Allowable if required by the sponsored agreement.	<b>Unallowable</b> for foreign patents.

Type of Cost	CFR Reference (\$200.xxx)	Allowable as a Direct Cost	Unallowable as a Direct Cost
Professional Service Costs	<a href="#">459</a>	Allowable for professional and/or consultant services rendered by persons who are members of a particular profession or possess a special skill.	<b>Unallowable</b> for officers or employees of the institution.
Proposal Costs	<a href="#">460</a>	<b>Unallowable</b>	<b>Unallowable</b>
Publication & Printing Costs	<a href="#">461</a>	Allowable for publication costs for electronic and print media, including distribution, promotion, and general handling. If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs (F&A) to all benefiting activities of the non-Federal entity.	Generally <b>unallowable</b> for routine copying and postage (considered F&A).
Rearrangement & Reconversion Costs	<a href="#">462</a>	Allowable with prior approval of the awarding agency when incurred specifically for the sponsored project.	<b>Unallowable</b> for costs incurred for ordinary or normal rearrangement and alteration of facilities.
Recruiting Costs	<a href="#">463</a>	Allowable when related to and necessary for the project and if reasonable (color ads are not considered reasonable).	<b>Unallowable</b> for advertising which includes color, material for other than recruitment purposes, or which is excessive in size.
Relocation Costs of Employees	<a href="#">464</a>	Allowable only with prior-approval from Dept Head and SPS. Must appear as line item in submitted budget. If approved, this covers costs associated with the transportation of the employee (reserved for faculty), members of their immediate family and household, and personal effects to the new location, as well as the costs of finding a new home, such as advance trips by employees and spouses to locate living quarters and temporary lodging during the transition period, up to maximum period of 30 calendar days.	Generally <b>unallowable</b> in most cases. If prior approval is received, costs associated with acquiring a new home, a loss on the sale of a former home, continuing mortgage principal and interest payments on a home being sold, and income taxes paid by an employee related to reimbursed relocation costs are <b>unallowable</b> .

Type of Cost	CFR Reference (\$200.xxx)	Allowable as a Direct Cost	Unallowable as a Direct Cost
Rental Costs of Equipment	<a href="#">465</a>	Allowable for reasonable costs (when incurred specifically for the sponsored project.)	
Royalties & Other Costs for Use of Patents (Intellectual Property)	<a href="#">448</a>	Allowable when necessary for the performance of the sponsored project	<b>Unallowable</b> 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
Scholarships & Student Aid Costs	<a href="#">466</a>	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 Activity Costs	<a href="#">469</a>	<b>Unallowable</b>	<b>Unallowable</b>
Telecommunication & Video Surveillance Costs	<a href="#">471</a>	Allowable ONLY for costs directly attributable to a specific project (ex. long distance calls.	<b>Unallowable</b> for recurring line charges, network charges, local telephone costs, or other general/generic communication expenses.
Termination Costs Applicable to Sponsored Agreements	<a href="#">472</a>	Allowable for costs which would not have arisen had the sponsored agreement not been terminated.	<b>Unallowable</b> for any costs continuing after termination due to the negligent or willful failure of the institution to discontinue such costs.
Training & Education Costs	<a href="#">473</a>	Allowable for training provided for employee development for a specific sponsored project.	
Transportation (Freight) Costs	<a href="#">474</a>	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).	<b>Unallowable</b> for routine/general postage

Type of Cost	CFR Reference (§200.xxx)	Allowable as a Direct Cost	Unallowable as a Direct Cost
Travel Costs	<a href="#">475</a>	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 <b>unallowable</b> . Non-employee travel is <b>unallowable</b> unless specifically required to fulfill the requirements of the solicitation.