

## Uniform Guidance Requirements for Federal Awards Cost Principles (Allowable and Unallowable Costs)

**Guidelines:** Sections 200.420-200.475 provide principles to be applied in establishing allowance of select costs related to a federal award. (<http://1.usa.gov/1FtZOj1>)

**Note:** Understandably, OMB cannot address every possible type of cost within these standards. If you question whether a cost is allowable, **contact the grants office**. The grants office will make every effort to ensure that grant budgets are in compliance with all cost principles before submission.

In case of discrepancy between the provisions of a specific federal award and the provisions of Uniform Guidance, the **federal award governs**.

### Four Most Common Cost Principle Questions at Calvin College:

#### 1. Equipment

- a. The purchase of **general purpose equipment, buildings, and land** is **unallowable** as direct cost. \*\*
- b. The purchase of **special purpose equipment** is **allowable** as direct cost. (Contact grants office regarding special procurement requirements.)
- c. **Maintenance** to equipment that keeps it in an efficient operating condition is **allowable**.

#### 2. Entertainment

- a. Entertainment costs are **allowable ONLY** when there is a programmatic purpose and is authorized in the approved budget of a federal award.
- b. **Allowable conference costs** that are necessary for the successful performance of a federal award include: facilities, speaker fees, costs of meals and refreshments, local transportation, and other incidental costs.

#### 3. Materials and Supplies – including computing devices

- a. Costs for materials, supplies, and fabricated parts are **allowable** as direct cost. (Contact grants office regarding special procurement requirements.) \*\*
- b. **Computing devices** must be essential and allocable, but do not have to be solely dedicated to the performance of a federal award.

#### 4. Travel

- a. **Reasonable travel costs** (lodging, food, etc.) are **allowable** in accordance with Calvin's written travel reimbursement policies.
- b. **Temporary dependent care costs** that directly result from travel are **allowable ONLY in accordance with Calvin's written policy**. Contact Human Resources for more information.
- c. **Travel costs for dependents** are **unallowable UNLESS** the duration is six months or more with prior approval from the funding agency.
- d. **Air travel** under federal funding must comply with the **Fly America Act**, that is, to use United States air carrier service for all air travel and cargo transportation services.

**\*\* IMPORTANT \*\*** Before purchasing equipment and/or materials and supplies with remaining funds near the end of your grant period: (1) ensure that all grant related payroll payments have been properly allocated to you, (2) ensure that benefits charges during the grant period have been properly charged, (3) contact the grants office.

## **Strictly Unallowable Costs**

1. Alcoholic beverages
2. Alumni/ae activities
3. Bad debts
4. Commencement and convocation costs
5. General costs of government
6. Lobbying
7. Losses on other awards or contracts
8. Organization costs
9. Selling and marketing costs
10. Student activity costs (intramural activities, student publications, clubs, etc.)

## **Allowable ONLY when specific criteria are met** (contact grants office to determine allowability)

1. Advertising and public relations
2. Advisory councils
3. Audit Services
4. Bonding costs
5. Collections of improper payments
6. Compensation – personal services
7. Compensation – fringe benefits
8. Conferences and related expenses
9. Contingency provisions
10. Contributions and donations
11. Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements
12. Depreciation
13. Employee health and welfare costs
14. Entertainment costs
15. Equipment and other capital expenditures
16. Exchange rates
17. Fines, penalties, damages, and other settlements
18. Fundraising and investment management costs
19. Gains and losses on disposition of depreciable assets
20. Goods or services for personal use
21. Idle facilities and idle capacity
22. Insurance and indemnification
23. Intellectual property
24. Interest
25. Maintenance and repair costs
26. Materials and supplies costs, including costs of computing devices
27. Memberships, subscriptions, and professional activity costs
28. Participant support costs
29. Plant and security costs
30. Pre-award costs
31. Professional service costs
32. Proposal costs (allowable as indirect cost)
33. Publication and printing costs
34. Rearrangement and reconversion costs (allowable as indirect cost)
35. Recruiting costs
36. Relocation costs of employees
37. Rental costs of real property and equipment
38. Scholarships and student aid costs
39. Specialized service facilities
40. Taxes
41. Termination costs
42. Training and education costs
43. Transportation costs
44. Travel costs
45. Trustees