

## Appendix A: Allowability of Selected Items of Cost for Federal Grants

This chart lists selected items of cost contained in 2 CFR Part 200, Subpart E. Since many allowable costs have restrictions, VSC personnel responsible for charging expenses to federal grants should refer to the actual regulation for more guidance on whether a cost is allowable or not.

See <https://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1.5&rgn=div6> for full description.

CFR Citation	Item of Cost	Allowability
421	Advertising and public relations	Allowable with restrictions.
422	Advisory councils	Unallowable unless authorized by statute or the federal awarding agency.
423	Alcoholic beverages	Unallowable.
424	Alumni activities	Unallowable.
425	Audit services	Allowable with restrictions.
426	Bad debts	Unallowable.
427	Bonding costs	Allowable with restrictions.
428	Collection of improper payments	Allowable.
429	Commencement and convocation costs	Unallowable. However, may be charged as indirect costs as provided for in Appendix III paragraph (B) (9).
430	Compensation-personal services	Allowable with restrictions. Special conditions apply.
431	Compensation-fringe benefits	Allowable with restrictions. Special conditions apply.
432	Conferences	Allowable with restrictions.
433	Contingency provisions	Allowable only if contingency provisions are included in award budgets.
434	Contributions and donations	Unallowable. However, value of goods and services donated to a VSC institution may be included as part of cost sharing/matching.
435	Defense and prosecution	Allowable with restrictions.
436	Depreciation	Allowable with restrictions.
437	Employee health and welfare	Allowable with restrictions.
438	Entertainment	Unallowable unless cost has programmatic purpose and is approved by the federal awarding agency.
439	Equipment & other capital expenditures	Allowable based on specific requirements. Prior written approval for direct charge of general purpose equipment over \$5,000.
440	Exchange rates	Allowable with restrictions. Prior approval of federal awarding agency required if change results in need for additional funding.
441	Fines, penalties, damages & other settlements	Unallowable except when incurred as a result of compliance with specific provisions of the award and with prior written approval.
442	Fund raising & investment management costs	Unallowable except for the purpose of meeting federal program objectives. Prior approval must be obtained.
443	Gains and losses on disposition of depreciable assets	Allowable with restrictions.
444	General costs of government	Not specifically addressed for institutions of higher education.
445	Goods or services for personal use	Unallowable, except for housing allowances and personal living expenses with prior approval of federal awarding agency.
446	Idle facilities and idle capacity	Allowable with restrictions.
447	Insurance and indemnification	Allowable with restrictions.
448	Intellectual property	Allowable with restrictions.
449	Interest	Allowable with restrictions.
450	Lobbying	Unallowable unless specifically provided for in the award or prior approval obtained.
451	Losses on other awards or contracts	Unallowable.

452	Maintenance and repair costs	Allowable with restrictions.
453	Materials and supplies cost, including computing devices	Allowable with restrictions.
454	Memberships, subscriptions, & professional activity costs	Allowable with restrictions. Unallowable for lobbying organizations and country club memberships.
455	Organization costs	Unallowable except with prior approval from the federal awarding agency.
456	Participant support costs	Allowable with prior approval from the federal awarding agency.
457	Plant and security costs	Allowable; capital expenditures subject to 200.439.
458	Pre-award costs	Allowable with prior approval from the federal awarding agency.
459	Professional service costs	Allowable with restrictions.
460	Proposal costs	Allowable only as indirect costs.
461	Publication and printing costs	Allowable with restrictions.
462	Rearrangement and reconversion costs	Allowable as indirect costs. If charging as direct, it requires prior approval from the federal awarding agency. Budget justification must explain how facility modifications benefit the project.
463	Recruiting costs	Allowable with restrictions.
464	Relocation costs of employees	Allowable with restrictions.
465	Rental costs of real property and equipment	Allowable with restrictions.
466	Scholarships and student aid costs	Allowable with restrictions.
467	Selling and marketing costs	Unallowable unless prior approval is obtained from the federal awarding agency.
468	Specialized service facilities	Allowable with restrictions.
469	Student activity costs	Unallowable unless specifically provided for in the federal award.
470	Taxes (including Value Added Tax)	Allowable with restrictions.
471	Termination costs	Allowable with restrictions.
472	Training and education costs	Allowable for employee development.
473	Transportation costs	Allowable with restrictions.
474	Travel costs	Allowable with restrictions. Prior approval required for certain types of travel costs.
475	Trustees	Allowable with restrictions.