



## TIP SHEET FOR ALLOWABLE COSTS

### 2 CFR 200 Cost Principles

Allowable costs and cost allocation methods for work performed under an IMLS grant must be determined in accordance with the applicable federal cost principles. This tip sheet is only intended to provide a brief high-level overview of allowable cost issues that frequently arise. Readers are strongly cautioned not to rely exclusively on this summary, but to place primary reliance on the referenced regulations. The question of whether a particular cost is allowable is generally fact-specific, and therefore State Library Administrative Agencies (SLAAs) should refer to 2 CFR 200 or contact their Program Officer when determining whether a particular cost is allowable. Additional information on particular topics may also be available on the State Library Program Manual website.

The numbers in the tables below refer to the relevant sections in 2 CFR 200 Subpart E.

| <b>Generally Allowed</b>                                   |   |
|--|---|
| Advertising & public relations* 421                        | Materials and supplies costs, including costs of computing devices* 453 |
| Advisory councils* 422                                     | Memberships, subscriptions, and professional activity costs* 454        |
| Audit services* 425  | Plant and security costs* 457   |
| Bonding costs* 427   | Professional service costs* 459   |
| Collections of improper payments 428                       | Proposal costs 460  |
| Compensation—personal services* 430                        | Publication and printing costs 461                                      |
| Compensation—fringe benefits* 431                          | Recruiting costs* 463   |
| Conferences 432  | Relocation costs of employees* 464                                      |
| Contingency provisions* 433                                | Rental costs of real property and equipment* 465                        |
| Depreciation* 436  | Specialized service facilities* 468                                     |
| Employee health and welfare costs* 437                     | Taxes (Including Value Added Tax)* 470                                  |
| Equipment and other capital expenditures* 439              | Termination costs* 471  |
| Gains and losses on disposition of depreciable assets* 443 | Training and education costs 472  |
| Insurance and indemnification* 447                         | Transportation costs 473  |
| Intellectual property* 448                                 | Travel costs* 474   |
| Maintenance and repair costs* 452                          | Trustees 475  |

| <b>Generally Not Allowed</b>    |   |
|---------------------------------|---|
| Alcoholic beverages 423         | Interest* 449                           |
| Bad debts* 426                  | Lobbying 450                            |
| Contributions and donations 434 | Losses on other awards or contracts 451 |

|  |   |
|--|---|
| Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements* 435 | Organization costs 455                    |
| Entertainment costs 438  | Participant support costs* 456            |
| Fines, penalties, damages and other settlements* 441   | Pre-award costs* 458                      |
| Fund raising and investment management costs* 442  | Rearrangement and reconversion costs* 462 |
| General costs of government* 444   | Selling and marketing costs* 467          |
| Goods or services for personal use 445   | Student activity costs* 469               |
| Idle facilities and idle capacity* 446   |   |

**\* Means there are exceptions or restrictions to the rule that are frequently applicable.**

*Updated 12/17/2015*