



Grants Management Boot Camp

Allowable Costs



2 CFR 200 Subpart E: Cost Principles

- Is it reasonable and necessary?
- Allowable and Unallowable costs apply to both SLAA funds and Match
- Refer to the IMLS Tip sheet:
https://www.ims.gov/sites/default/files/tipsheetforallowablecosts_dec2015.pdf

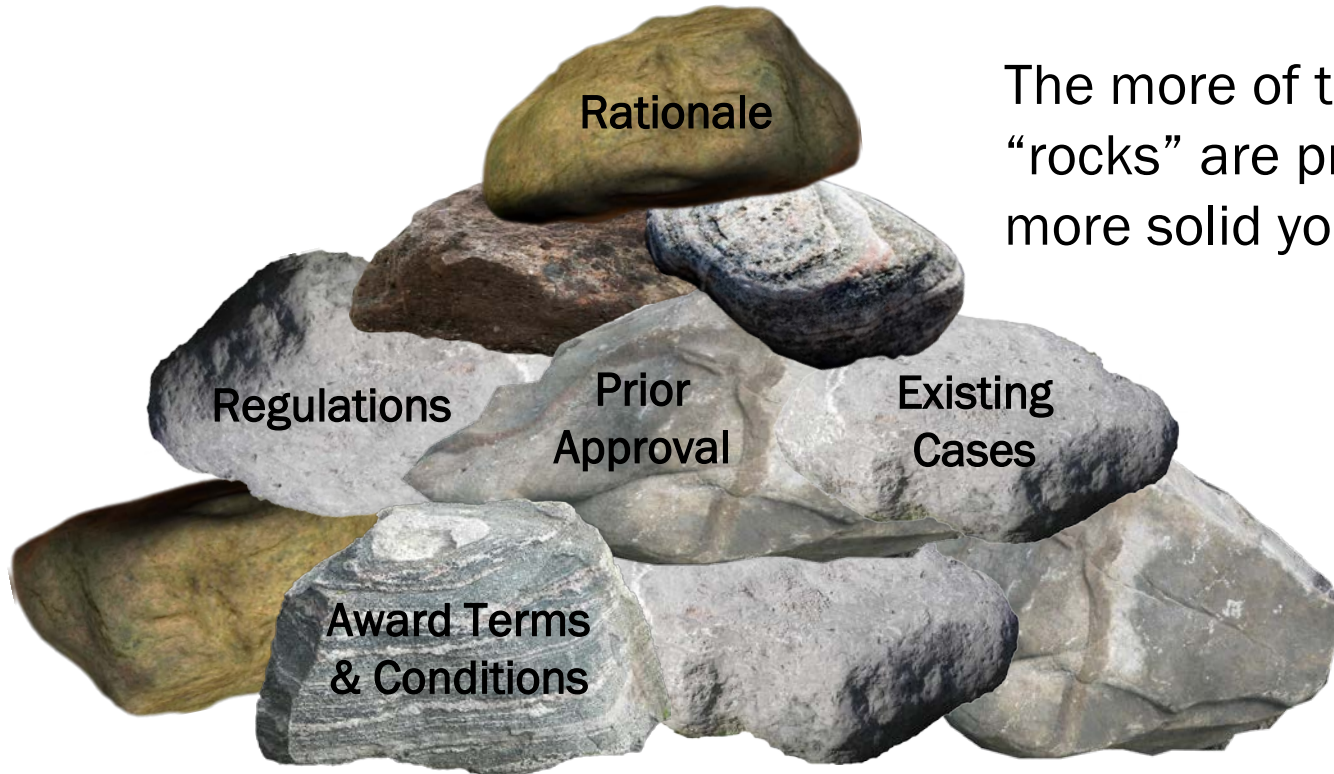


2 CFR 200.403 - Allowability

Costs must be Necessary, Reasonable and Allocable, as well as:

- Be consistent with policies for both federal and non-federal activities
- Be treated consistently as direct or indirect costs
- Follow generally accepted accounting principles (GAAP)
- Not be used for matching requirement for other federal award (few exceptions)
- Be adequately documented

Framework for Building a Solid Cost Justification



The more of these “rocks” are present, the more solid your case is!



Common Unallowable Costs

- No construction
- No entertainment or celebrations
- No endowments
- No fundraising or advocacy
- No general advertising or marketing



Scenario 1

A new Director of Springfield, West Dakota Library just came on board, and would like to allocate funds for their individual ALA membership.

Is this allowable?



Scenario 1- Answer

Generally unallowable.

Based on **2CFR 200.454 (Memberships, subscriptions, and professional activity costs)**, costs of the SLAA's entity membership in professional organizations are allowable, but an individual's membership is not allowable. It also must be necessary to a project.



Scenario 2

The Springfield, West Dakota Library is planning for a Makerspace. In their LSTA project, they're planning on purchasing a soundproof recording booth.

Is this allowable?



Scenario 2- Answer

Generally allowable. There are construction related implications.

If the sound room is movable and can be constructed by a staff member (no contract labor is needed), then it might be allowable.

Note: All equipment over \$5,000 must be pre-approved by your IMLS Program Officer.



Scenario 3

The State Library will provide a full day trustee workshop discussing the role of trustees, library administration, fundraising, and developing partnerships. Meals will be included.

Is this allowable?



Scenario 3- Answer

Some of it is generally allowable.

Based on **2 CFR 200.472 (Training and education costs)**, training is allowable for trustees. According to **2 CFR 200.442 (Fundraising and investment management costs)**, Fundraising or advocacy cannot be covered in the training. Meals can be included if it's a working lunch, and barriers may prevent lunch on their own.



Scenario 4

In the West Dakota SPR, there was a single marketing project that covered marketing for the Summer Reading Program, jobs workshop, and general library advertising posters.

Is this allowable and correctly reported?



Scenario 4- Answer

Some of it may be allowable.

According to **2 CFR 200.421 (Advertising and Public Relations)**, marketing and advertising for LSTA-funded projects is generally allowable. Costs for general promotional items, like the posters is NOT allowable.

Allowable marketing costs should be rolled in to the actual project in the SPR (not a separate project just devoted to marketing).

Questions?