

Classification of Costs

Expense Category	Description of Typical Expenses	Allowable or Unallowable under OMB A-21*	College Accounting Practice	
			Direct	Indirect
<p>*Note: Failure to mention particular items of costs is not intended to imply that it is either allowable or unallowable. Determination of allowability in each case should be based on the treatment provided for similar or related items of costs. This table is presented as a guideline. In instances where a discrepancy between the provisions of a specific sponsored agreement and this classification table exists, the agreement may govern in certain circumstances; provided the expenditures are approved by the appropriate entities and any necessary compliance requirements have been met. OSP and/or Financial Affairs should be consulted in determining the appropriate approvals and compliance requirements.</p>				
Advertising	Recruiting of grants personnel, procurement of goods and services, and for specific purposes necessary to meet the requirements of the sponsored agreement.	Allowable	X	
	Activities solely to promote the Institution.	Unallowable	NA	NA
Alcohol	Alcoholic beverages	Unallowable	NA	NA
	Chemical reagents used for research	Allowable	X	
Alumni Activities	Any	Unallowable	NA	NA
Bad Debts	Losses arising from non-collectible accounts and other claims.	Unallowable	NA	NA
Bonding Costs	Pursuant to the terms of the award.	Allowable	X	
	As required by the college in the general conduct of its operations.	Allowable		X
Commencement & Convocation Costs	Any	Unallowable	NA	NA
Communication	Project-related long-distance telephone calls	Allowable	X	
	Telephone basic line charges, pagers, local calls, voice mail and cellular phones	Allowable		X
	Project-related field work phones	Allowable	X	
Compensation for Personnel Services	Salaries of faculty, research associates, students and other technical personnel that are of direct benefit to the sponsored projects scientific work.	Allowable	X	
	Administrative and clerical salaries	Allowable		X
Conferences/ Meetings	Dissemination of information related to the grant program.	Allowable	X	
Computers	Acquisition costs less than \$5000	See Supplies & Materials Category		
	Acquisition costs greater than \$5000	See Equipment Category		
Construction, Remodeling or Alterations	When specifically provided for in award notice.	Allowable	X	
Contingency Provisions	Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be predicted with certainty.	Unallowable	NA	NA
Contribution/Donations to Other	Donations or contributions of services and/or property	Unallowable	NA	NA

Expense Category	Description of Typical Expenses	Allowable or Unallowable under OMB A-21*	College Accounting Practice	
			Direct	Indirect
Depreciation and Use Allowance	Based on acquisition cost as stipulated in OMB A-21	Allowable		X
Displays, Demonstration & Exhibits	If directly related to providing information about the grant program.	Allowable	X	
Entertainment (Object Code 2526)	Costs incurred for amusement, diversion, and social activities and costs directly associated with such activities (such as tickets to shows or sports events, meals, lodging, rentals, transportation and gratuities).	Unallowable	NA	NA
Equipment (Defined as non-expendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.) (See Supplies & Materials category for equipment with an acquisition cost of less than \$5000.)	“Special purpose equipment” means equipment, which is used <u>only</u> for research, medical, scientific, or other technical activities. Examples of special purpose equipment include centrifuges, spectrometers, microscopes, and computers.	Allowable	X	
	“General purpose equipment” means equipment, which is <u>not limited</u> only to research, medical, scientific or other technical activities. Examples of general purpose equipment include office equipment (i.e. personnel computers) and furnishings, air conditioning equipment, reproduction and printing equipment, motor vehicles.	Allowable		X
Field Trips	If specified in the sponsored project	Allowable	X	
Fines and Penalties	When incurred as a result of compliance with specific provisions of the sponsored agreement and authorized in advance.	Allowable	X	
	All others	Unallowable	NA	NA
Food and Beverage Costs (<u>Food & Beverage costs are routinely questioned by auditors unless they find adequate documentation to show that the costs were associated with a bona fide technical conference or meeting, or generated while on travel status. It is important to document how the food charges specifically benefit the project.</u>)	For an employee on travel status when travel is <u>necessary</u> to accomplish the objectives of the grant program.	Allowable	X	
	Any food and beverage costs <u>not necessary</u> to accomplish the objectives of the grant program (i.e. receptions, hospitality room, pizza for graduate students working late, lunch for students during a local research activity, etc...).	Unallowable	NA	NA
	Working meetings (i.e. scheduled program meeting), training sessions, or conferences where: <ul style="list-style-type: none"> Costs are <u>necessary</u> to accomplish the objectives of the grant program Food & beverage surrounds the functions considered mandatory for attendees to receive the full benefit of the event. 	Allowable	X	
Fringe Benefits	Employer contributions or expenses for retirement, social security, employee insurance and workers compensation insurance.	Allowable	X	

Expense Category	Description of Typical Expenses	Allowable or Unallowable under OMB A-21*	College Accounting Practice	
			Direct	Indirect
Fundraising	Financial campaigns, solicitation of gifts, donations and contribution.	Unallowable	NA	NA
Gifts	Gifts or items that appear to be gifts	Unallowable	NA	NA
Goods and Services for Personal Use	Costs of goods or services for personal use of Institutions' employees regardless of whether the cost is reported as taxable income to the employees.	Unallowable	NA	NA
Insurance and Indemnity	Costs of insurance required or approved in advance by the sponsor pursuant to the terms of a sponsored agreement as direct charges to the project.	Allowable	X	
	Actual losses which could have been covered by insurance except as provided for in OMB A-21.	Unallowable	NA	NA
Legal Expenses	Defense and prosecution of criminal proceeding, claims, appeals and patent infringement unless specifically provided for in the sponsored agreement or approved in advance.	Unallowable	NA	NA
Lobbying Costs	Any	Unallowable	NA	NA
Losses on Other Sponsored Agreements	Unrelated costs overruns on other sponsored projects.	Unallowable	NA	NA
Maintenance, Operations and Repair	Repair and maintenance of " general purpose equipment " (see Equipment category for definition).	Allowable		X
	Costs incurred for necessary maintenance, repair of " Special purpose equipment " (see Equipment category for definition) used in the performance of a sponsored project which neither adds to the permanent value of the property nor appreciably prolongs its intended life but keeps it in an efficient operating condition. <u>Cost must be allocated based on proportional benefit to all projects if used for more than one project.</u>	Allowable	X	
Memberships	Memberships with business, professional and technical organizations.	Allowable		X
	Expenses for membership, subscriptions to business, professional, and technical periodicals are only chargeable as direct costs to federal sponsored projects in the following situations: <ul style="list-style-type: none"> • Membership is the only means of obtaining a specific journal or periodical directly related to the project • Membership is required to attend a conference that is part of the sponsored project • Membership is required to receive 	Allowable	X	

Expense Category	Description of Typical Expenses	Allowable or Unallowable under OMB A-21*	College Accounting Practice	
			Direct	Indirect
	reduced registration fees or other associated costs for the conference (cost must be greater than or equal to the membership cost).			
	Memberships in civic or community organizations or social clubs.	Unallowable	NA	NA
Office Supplies	See Supplies & Materials Category			
Patents	In accordance with the clauses of a sponsored agreement relating to patents, costs of preparing documents, and any other patent costs in connection with the filing of a patent application where title is conveyed to the government or non-federal sponsor.	Allowable	X	
Photocopies	See Supplies & Materials Category			
Postage	General postal services	Allowable		X
	Overnight express service, federal express, US postal priority mail, UPS, when needed to transport project materials or report in a non-routine manner.	Allowable	X	
Pre-Award Costs	Only to the extent that they would have been allowable if incurred after the effective date of the award.	Allowable	X	
Printing	To produce bound manuals or print project-related manuscripts and reports.	Allowable	X	
Professional and Consultant Services	When provided by non-employees and when the grantee organization does not possess the expertise.	Allowable	X	
Promotional Items/Memorabilia	T-shirts, and other memorabilia, souvenirs or promotional items (key chains, caps, etc.)	Unallowable	NA	NA
Proposal Costs	Costs for preparing proposals to obtain other grant monies.	Unallowable	NA	NA
Public Relations	When specifically required by the grant award for communicating with the public in regard to grant activities.	Allowable	X	
	Costs of public relations designed solely to promote the Institution	Unallowable	NA	NA
Reconversion Costs	To restore facility to condition existing immediately prior to the grant award (less costs related to normal wear and tear).	Allowable	X	

Expense Category	Description of Typical Expenses	Allowable or Unallowable under OMB A-21*	College Accounting Practice	
			Direct	Indirect
Recruiting and Relocation Costs	Costs for the recruitment of new employees (advertising, travel, relocation).	Allowable	X	
	Relocations costs for new employees who resign with twelve months.	Unallowable	NA	NA
Reference Materials	When related to the grant program	Allowable	X	
Rental Costs	To the extent that the rates are comparable to that of other rental property in the locale and are approved by the awarding agency during the proposal process.	Allowable	X	
Research Supplies	See Supplies & Materials Category			
Royalties/Use of Patents	Royalties on a patent or invention necessary for the proper performance of a sponsored agreement unless the government has a license or right to free use of the patent or the patent is considered to be unenforceable or has expired.	Allowable	X	
Sabbatical Leave Cost	Provided the Institution has a uniform policy.	Allowable	X	
Scholarships and Student Aid Costs	Only when the purpose of the grant is to provide training to selected participants and with specific approval.	Allowable	X	
Selling and Marketing	Costs of selling or marketing any products or services of the Institution.	Unallowable	NA	NA
Severance Pay	If required by law, employer-employee agreement or agency policy a specified in OMB A-21.	Allowable	X	
Specialized Service Facilities	As specified in OMB A-21	Allowable	X	
Software	See Supplies & Materials Category			
Student Activity Cost	Costs incurred for intramural activities, student publications, student clubs and other student activities unless provided for in the sponsored agreement.	Unallowable	NA	NA

Expense Category	Description of Typical Expenses		Allowable or Unallowable under OMB A-21*	College Accounting Practice	
				Direct	Indirect
Subcontracts	Substantive portions of the programmatic effort when approved in advance by the sponsor.		Allowable	X	
Subscriptions	See Memberships Category				
Termination Costs	Costs resulting from the early termination of a sponsored project, subject to prior approval of the sponsor. Costs may include loss of value of special tooling, rental costs associated with non-expired leases and claims under subcontract agreements.		Allowable	X	
Supplies & Materials	Office Supplies (Administrative and Laboratory Purposes)	Paper, Photocopies, Toner Cartridges, Envelopes, Paper Clips, Binder Clips, Rubberbands, Tape, Tape Dispensers, Post-it Notes, Calendars, Desk Organizers, File Cabinets, File Folders, Binders/Notebooks (general use), Transparencies, Pens, Pencils, Markers, Staples, Staplers, Paper Punches, University Stationary, Business Cards, typewriters, copiers, general use software, diskettes, flash drives, memory sticks, zip drives, etc....	Allowable		X
	Computers (Administrative purposes of a project such as email and report/publication writing)	Computers, monitors, printers, & back-up drives	Allowable		X
	Computers (For research data collection or processing.)	Computers, monitors, printers, & back-up drives	Allowable (If used for more than one project, costs must be charged to all projects based on proportional benefit or a reasonable basis.)	X	
	Software	Specific for laboratory data acquisition (non-standard, i.e. statistical)		X	
	Research/Lab Supplies:	Bound Notebooks/Binders (used to collect data only)		X	

Expense Category	Description of Typical Expenses		Allowable or Unallowable under OMB A-21*	College Accounting Practice	
				Direct	Indirect
		Items such as chemicals, glassware, columns, vials, pipets, pipet tips, test tubes, thermometers, ovens, storage, or other laboratory equipment etc...		X	
		General use or janitorial items such as paper towels, mops, laboratory soap, etc...	Allowable		X
Transportation of Goods	Costs incurred for freight and transportation services related to laboratory samples, goods purchased, delivered or returned under a sponsored program		Allowable	X	
Travel Costs	For employees traveling on official business related to the grant program. U.S carriers must be used when traveling on awards sponsored directly by Federal agencies or awards from non-federal sponsors for that the Federal Government is a primary sponsor.		Allowable	X	
	For costs associated with first class air travel and costs in excess of lowest commercial airfare		Unallowable	NA	NA
Tuition	Tuition and tuition remission costs only when students receive salaries and wages for work performed on the sponsored project and tuition reimbursement is allocable providing sponsor approval, if required, has been obtained from the sponsor.		Allowable	X	