

ALLOWABLE & UNALLOWABLE BUDGET COSTS

The federal government has established these guidelines for costs that may be charged as direct costs and those that can be considered included in the F & A cost that is charged. Indirect costs is only charged on salaries, wages, and fringe benefits.

The following summary gives a brief description of costs and how they should either be charged as direct costs or should be included as indirect costs. This list is only a summary of the comprehensive list which can be found on the Office of Management and [Budget Circular \(OMB\) A-21 website](#).

<i>DIRECT COSTS (ALLOWABLE)</i>	<i>F&A (INDIRECT COSTS) UNALLOWED</i>
<i>SALARIES, WAGES & FRINGE BENEFITS:</i> Faculty members acting as Principal Investigators and Co-Principal Investigators, graduate & undergraduate students, post -doctoral associates, research associates, and other key professionals who will conduct work directly related to the program.	<i>SALRIES, WAGES & FRINGE BENEFITS:</i> Clerical and administrative assistants, fiscal managers, secretarial staff members and/or individuals not directly associated with the research.
<i>MATERIALS & SUPPLIES:</i> Project related research and scientific supplies. Any equipment or software that does not qualify as capital equipment.	<i>MATERIALS & SUPPLIES:</i> General office material and supplies such as pens, pencils, paper, staples, transparencies, toner, cartridges, diskettes, printer paper, work processing and spreadsheet programs.
<i>EQUIPMENT:</i> Equipment used for scientific, technical and research purposes that cost greater than \$5,000 and has a useful life of at least a year.	<i>EQUIPMENT:</i> General office equipment such as copiers, printers, computers, and fax machines.
<i>FACILITIES:</i> Project specific space rental for office-campus facilities from a third party	<i>FACILITIES:</i> Utilities, building use, grounds maintenance, renovations, and alterations of University Property whether on or off campus.
<i>TRAVEL:</i> Transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the institution.	<i>TRAVEL:</i> <i>Cost of entertainment, including amusement diversion, and social activities and any costs directly associated with such cost (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).</i>
<i>TELEPHONE:</i> Long distance calls, phone surveys or calls to project participants.	<i>TELEPHONE:</i> Local calls, cell phones, installation and maintenance.
<i>MAINTENANCE & REPAIRS:</i> Requires justification that all expenditures are required and directly related to the specific award (i.e. less expensive than buying new).	<i>MAINTENANCE & REPAIRS:</i> Maintenance and repairs to general purpose equipment, buildings, and grounds.

ADVERTISING: Recruitment of research subjects or for job openings approved for a specific project.	ADVERTISING: Public relations to promote unit/department/college
PUBLICATIONS: Project specific and research related.	PUBICATIONS: General printing and copying.
MEMBERSHIPS, SUBSCRIPTIONS AND PROFESSIONAL ACTIVITY: Membership and subscriptions in business, technical and professional organizations; must be related to and supportive of the project.	MEMBERSHIPS, SUBSCRIPTIONS AND PROFESSIONAL ACTIVITY: Membership in any civic or community organization. Membership in any country club or social/dining club or organization.
FREIGHT/EXPRESS DELIVERIES, AND POSTAGE: Justification required that cost was needed to transport project material in a timely manner.	FREIGHT/EXPRESS DELIVERIES, AND POSTAGE: Routine or internal courier.
CONSULTING: Project specific research (i.e. evaluators).	CONSULTING: General, management or financial
MISCELLAENEOUS COSTS: Subcontract costs, and training costs	MISCELLAENEOUS COSTS: Computer network charges and utilities

All Direct Costs for federal grants must coincide with federal guidelines according to OMB Circular A-21. See the quick reference table below for budget cost allowed and un-allowed

While State agencies may have their own guidelines, they typically follow principles that are similar to those established in the federal guidelines. If the State guidelines do allow for costs that are normally treated as indirect costs to be charged as direct costs, it is necessary to provide documentation that the grant funds are solely from state money, and not from a federal source.

Other sponsors typically have their own guidelines on what costs are allowable. Please read the guidelines carefully as they may allow some costs that federal grants typically would not allow or for certain costs that would be allowable under federal grants. Please note that if the sponsor is using federal funds received from a federal agency (such as Federal Flow Through), then the grant is subject to the federal guidelines regardless of the sponsor's policies.