**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.

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| **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. |